

JPRS-UIA-85-022

31 DECEMBER 1985

USSR Report

INTERNATIONAL AFFAIRS

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service (NTIS), Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semimonthly by the NTIS, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

Soviet books and journal articles displaying a copyright notice are reproduced and sold by NTIS with permission of the copyright agency of the Soviet Union. Permission for further reproduction must be obtained from copyright owner.

31 December 1985

USSR REPORT

INTERNATIONAL AFFAIRS

CONTENTS

ARMS CONTROL

- Growth of French Antiwar Movement Noted
(I. Shchedrov; PRAVDA, 5 Nov 85) 1

WORLDWIDE TOPICS

- Utilization Agreement on Maritime Satellite Communications
(SOBRANIYE POSTANOVLENIY PRAVITELSTVA SSSR, No 7, 1984) 5

EAST-WEST RELATIONS

- More Positive Than Negative Results Since Helsinki Conference
(Vikentiy Matveyev; NEDEL'YA, No 31, Aug 85) 16

SOCIALIST COMMUNITY AND CEMA AFFAIRS

- November 1984 Bloc Scholars' Conference on Peace Struggle
(L. Voronkov; OBSHCHESTVENNYE NAUKI, No 3, May-Jun 85) 20

UNITED STATES AND CANADA

- Detailed Account of U.S. Decision To Drop Atomic Bomb
(Yu. Bandura; IZVESTIYA, various dates) 29
- U.S. 'State Terrorism' Contradicts UN Goal
(Stanislav Kondrashov; IZVESTIYA, 25 Oct 85) 44

WESTERN EUROPE

- U.S. Pressure on Austrian Neutrality Hit
(SELSKAYA ZHIZN', 25 Oct 85; IZVESTIYA, 25 Oct 85) 47
- Austria Plays Active Role, by M. Kochetkov 47
- 'Factor of Stability, Peace', by N. Novikov 48

USSR-France: Economic, Technological Cooperation Praised (V. Rakhmanin; EKONOMICHESKAYA GAZETA, No 40, Oct 85) ...	51
Technological Exchange With FRG Firms (Yu. Yakhontov; PRAVDA, 16 Sep 85)	55
Active Italian-Soviet Relations Promoted (P. Negoitsa; TRUD, 8 Sep 85)	58
Upcoming Elections in Sweden Viewed (M. Kostikov; PRAVDA, 14 Sep 85)	62

EASTERN EUROPE

Economic Cooperation With Poland (Mariya Bogatska; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN- CHLENOV SEV, No 9, Sep 85)	64
Discussion of Romania's Credit System (EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 9, Sep 85)	70
Hungarian Experience in Reducing White-Collar Personnel (V. Gerasimov; PRAVDA, 8 Aug 85)	77

LATIN AMERICA AND CARIBBEAN

Review of Journal LATINSKAYA AMERIKA No 7, 1985 (APN DAILY REVIEW, 11 Jul 85)	80
Table of Contents: LATINSKAYA AMERIKA No 7, 1985 (LATINSKAYA AMERIKA, No 5, Jul 85)	82
Anniversary of Nicaragua's Sandinista Revolution Marked (LATINSKAYA AMERIKA, No 7, Jul 85)	84
Positions of Honduran Pro, Antigovernment Parties Evaluated (A. V. Kuzmishchev; LATINSKAYA AMERIKA, No 7, Jul 85) ...	87
Effect of 'Population Explosion', Surplus Labor on LA Economy (V. M. Gavrilov, V. M. Davydov; LATINSKAYA AMERIKA, No 7, Jul 85)	95
Mexican Journalists Visit USSR Latin America Institute (A. B. Borisov; LATINSKAYA AMERIKA, No 7, Jul 85)	107
Work on Cuban Economic Research Center Detail (V. V. Lunin; LATINSKAYA AMERIKA, No 7, Jul 85)	110
Scholars Discuss Work on Latin American Capitalism (LATINSKAYA AMERIKA, No 7, Jul 85)	113

Book on U.S. 'Imperialist Course' in Central America Reviewed (V. P. Paramonov; LATINSKAYA AMERIKA, No 7, Jul 85)	119
--	-----

Abstract of Brutents Book on Falklands (K. N. Brutents; OBSHCHESTVENNYYE NAUKI V SSSR, SERIYA 1: PROBLEMY NAUCHNOGO KOMMUNIZMA, No 5, 1985)	121
---	-----

CHINA/FAR EAST/PACIFIC

Economic Assistance to DPRK (A. Muratov; INTERNATIONAL AFFAIRS, No 9, Sep 85)	123
--	-----

Soviet Aircraft Firm To Exhibit at Beijing Fair (Moscow Radio Peace and Progress in Mandarin to China, 15 Oct 85)	126
---	-----

Soviet-PRC Cooperation in UN Highlighted (Moscow in Mandarin to China, 24 Oct 85)	128
--	-----

Moscow Likens Afghanistan to Korean War (Moscow Radio Peace and Progress in Mandarin to China, 26 Oct 85)	131
---	-----

SUB-SAHARAN AFRICA

Book on Questions of Revolution in Africa Reviewed (T. A. Fetisova; OBSHCHESTVENNYYE NAUKI V SSSR, SERIYA 1: PROBLEMY NAUCHNOGO KOMMUNIZMA, No 5, Sep-Oct 85)	133
---	-----

Review of Book on Africa's Role in International Economics (N. A. Vasetskiy; OBSHCHESTVENNYYE NAUKI V SSSR, SERIYA 1: PROBLEMY NAUCHNOGO KOMMUNIZMA, No 5, Sep-Oct 85)	139
--	-----

ARMS CONTROL

GROWTH OF FRENCH ANTIWAR MOVEMENT NOTED

Moscow PRAVDA in Russian 5 Nov 85 p 4

[Article by PRAVDA correspondent I. Shchedrov, under the rubric, "Soviet Initiatives. Before the Meeting in Geneva": "Changes Are Needed"]

[Text] Paris, November--This autumn has not been entirely ordinary for France. Attitudes favoring changes have been gathering strength in the country: Demands for realistic steps and initiatives aimed first and foremost at reducing international tension and curbing the arms race and the undiminished economic crisis have been heard more and more loudly. This is attributable not only to the heated political clashes that have begun in anticipation of the parliamentary elections that are slated for next March, but also to new trends in international politics, trends which have been encouraging millions of people and have been engendered by the whole complex of peace initiatives on the part of the USSR and by the tendencies that have been evoked in response to these initiatives. France, one of the major European countries, has a direct relation to them.

The recent visit by M. S. Gorbachev, general secretary of the CPSU Central Committee, was an extremely important milestone on the path of these changes. In the course of that visit an impetus was given to the deepening and expansion of multifaceted relations of cooperation between the USSR and France. New large-scale Soviet peace proposals were also heard from Paris, and the international resonance of these proposals continues to grow.

The Soviet leader's visit to France was called an extremely important event in world politics during the television discussion that was held the other day before millions of French viewers between the Prime Minister L. Fabius, a prominent figure in the ruling Socialist Party, and Paris Mayor J. Chirac, leader of the most important rightist opposition party, the Rassemblement pour la Republique.

The Soviet-American summit meeting that is coming up soon in Geneva is being accorded great importance here, and naturally, discussion focuses on the new Soviet initiatives, as well as Washington's position. Of course, the evaluations given by various political groups are dissimilar. Furthermore, the discussion is taking place against a complicated and contradictory background. France, on the one hand, has reaffirmed its decision not to take

part in the American 'star wars' project. And this, unquestionably, is in the channel of political actions that contribute to continuing the search for ways to achieve peace and security. At the same time, however, two French underground nuclear explosions were carried out one after another on the Pacific atoll of Mururoa. Next year's budget, which provides record expenditures for nuclear missiles and conventional weapons, is being discussed in the country's parliament.

At the same time, the antiwar movement is expanding in France. The growth in its forces is evident from the results of the work done by the Appeal of One Hundred group, which collected more than 2 million signatures on an appeal to eliminate the nuclear threat, prevent the militarization of space and return to detente. This major new social action was carried out following the holding of three peace marches in a row, in which hundreds of thousands of people took part. Prominent political and public figures of the country, as was announced at a press conference held by the Appeal of One Hundred Group, will bring the will of the republic's citizens, which was so impressively expressed, to the attention of the government of France, as well as the attention of participants in the USSR-U.S. Geneva summit meeting. The French Peace Movement, the country's largest mass antiwar organization, has also come out with an appeal to intensify the struggle to curb the arms race, achieve disarmament and prevent the militarization of space.

A typical feature of recent days is an influx of new forces into the antiwar movement. Fighters for environmental protection are adding their voices to the demands to "freeze" and reduce the arsenals of weapons of mass destruction and to prevent the militarization of space. The popular magazine [COMBAT NATURE], which is published by the Association of Ecologists, recently carried an article by the publication's director [Alain de Svart] sharply condemning the nuclear-missile arms race that continues in the world. Even in a situation in which certain forces are attempting to conceal the real danger, he writes, from 30 to 40 percent of French men and women, according to public opinion surveys, are serious concerned over the war threat and say "No!" to the arms race.

Appeals for disarmament and the banning of nuclear weapons are being seen with increasing frequency in publications that are close to Catholic circles. TEMOIGNAGE CHRETIEN notes that one can understand the anxiety that the American 'star wars' program arouses in Moscow. The Soviet people, which experienced the horrors of World War II more than anyone else, passionately desire peace. This is precisely the sense in which one should understand Moscow's interesting new proposals to Washington: to completely ban space strike weapons and radically reduce arsenals of strategic nuclear weapons on earth.

Statements by the country's major trade union organizations, whose activists are invariably in the forefront of mass antiwar demonstrations, note the link between the arms race and growing war threat, on the one hand, and the working people's worsened situation and the growth in mass unemployment, which has broken record after record, on the other. This is the position

held by Bernard [Lacombe], secretary of the country's largest trade union center, the Confederation Generale du Travail. We, he said in a conversation with our correspondent, attach serious importance to the upcoming Soviet-American summit meeting in Geneva and consider it an important chance for the cause of peace throughout the entire world. In our view, today it is especially necessary that an agreement be reached on such issues as arms limitation, a radical reduction of arsenals of nuclear missiles and conventional weapons, and prevention of the militarization of space. In this connection, the constructive Soviet proposals seem exceptionally important to us.

Spokesmen for influential business circles are also coming out more and more often for returning to detente and cooperation based on the principles of peaceful coexistence and against the building up of tension and confrontation and the extremely dangerous arms race. The Soviet peace initiatives are being analyzed and discussed by such influential publications of French business as the newspaper LES ECHOS and the magazines L'EXPANSION, LA VIE FRANCAISE and LE POINT. One of France's leading entrepreneurs, Jean-Batiste [Dumeng], president of the Interagra Company, is firmly in favor of expanding and deepening trade and economic relations between West and East and strengthening Soviet-French ties.

And here is the view of a major political observer, [Iva Moreau]. Speaking of the new Soviet peace initiatives, he notes, I want to compare them to the optimistic attitude of the Beethoven symphonies and the immortal works, oriented toward the radiant future, of Anatole France, Romain Rolland and Thomas Mann. The constructive, far-reaching initiatives that the Soviet leader presented in Paris are a concrete and profound embodiment of the spirit of Helsinki.

The heightened interest of wide circles of the public in the problem of curbing the arms race has resulted in a situation in which an ever-increasing amount of space is now being devoted to it by the leading bourgeois newspapers. Thus, in an editorial headed "Moscow and the Geneva Summit Meeting," LE MONDE acknowledges the attractiveness and constructive nature of the new Soviet peace initiatives. LE FIGARO directly asks the question: "Aren't the American 'star wars' plans a violation of the treaty that was signed between Moscow and Washington in 1972?"

French Communists, and this was demonstrated once again at the FCP National Conference that was held in Nanterre in October, have consistently come out against the arms race, for prevention of the militarization of space and for disarmament, and in support of the Soviet peace initiatives.

R. Dumas, minister of external relations, recently reaffirmed that France will not take part in the American Strategic Defense Initiative project. Once the U.S. and the USSR open the way to the radical reduction of their nuclear-missile arsenals, he stated, France will also be prepared to join the nuclear disarmament process.

A flood of letters and messages from organizations and ordinary people is pouring in to newspapers and magazines, television and radio, government institutions, public organizations, the embassies of the USSR and the U.S. and the Paris correspondents' stations of Soviet newspapers. And this is also a sign of the times. They express concern over the war threat, proposals and wishes, and orders not to forget the lessons of the past. I shall conclude this article with two letters that were just recently received.

P. [Mepezeau], a lycee director from Fontainebleau and war veteran who was decorated with many orders, writes that for millions of Frenchmen the most valuable thing is peace and the memory of the heart. He reports on the decision of the municipal council of the town of [Sainte] to commemorate Soviet-French military cooperation, which passed harsh tests during the years of the war against fascism, and to name a street for the Normandy-Neman Regiment.

The division of the France-USSR Society in the department of Hauts-de-Seine expresses the conviction that a result of the recent Soviet-French summit meeting will be the further development of cooperation between our two countries and the creation of conditions whereby a possibility will emerge for reaching accords on behalf of European security, peace and disarmament.

8756

CSO: 1807/ 083

WORLDWIDE TOPICS

UTILIZATION AGREEMENT ON MARITIME SATELLITE COMMUNICATIONS

Moscow SOBRANIYE POSTANOVLENIY PRAVITELSTVA SSSR in Russian No 7, 1984 pp 115-127

[Decree: "Utilization Agreement on International Organization for Maritime Satellite Communications (INMARSAT)"]

[Text] The participants in this Utilization Agreement

in considering the fact that the States that are Parties to the Convention on the International Organization of Maritime Satellite Communications (INMARSAT) committed themselves to signing or to designating a competent organization to sign this Utilization Agreement,

have agreed on the following:

Article I. Definitions

1. For purposes of this Agreement:

- a) "Convention" means the Convention on the International Organization of Maritime Satellite Communications (INMARSAT), including the Appendix to it;
- b) "Organization" means the International Organization for Maritime Satellite Communications (INMARSAT), which was established by the Convention; and
- c) "Amortization" includes wear but does not include compensation for the use of capital.

2. The definitions of Article 1 of the Convention apply to this Agreement.

Article II. Rights and Obligations of the Participants

- 1. Each Participant acquires the rights granted to the Participants of the Convention and this Agreement and is obligated to carry out the responsibility assigned it by these two documents.
- 2. Each Participant acts in accordance with all the provisions of the Convention and this Agreement.

Article III. Making Payments for Capital

1. Each participant makes payment for capital in order to cover the Organization's needs in proportion to its share of participation and receives sums in reimbursement of capital, as well as compensation for the use of capital, which are determined by the Council in accordance with the Convention and this Agreement.

2. The requirements for capital include:

a) All the direct and indirect expenditures for the design, development, acquisition and installation of the outer-space segment of INMARSAT and for the direct acquisition of contractual rights and of other property of the Organization by leasing;

b) funds that the Organization needs for covering operating and administrative expenditures, as well as expenditures for technical servicing, prior to the receipt of income sufficient to cover such expenditures, in accordance with Article VIII (3); and

c) payments made by Participants in accordance with Article 11.

3. Interest, the rate of which should be determined by the Council, is added to any sum that remains unpaid after the payment date established by the Council.

4. If, during the period prior to the first determination of the shared participation on the basis of utilization of the segment, which is called for by Article V, the total sum of the payment made for capital which the Participants must make in any fiscal year exceeds 50 percent of the sum of the capital, a restriction on which has been established by Article IV or in accordance with it, the Council will examine the matter of taking appropriate measures, including the matter of financing by temporary indebtedness, by granting to Participants who so desire authorization to make additional payments on the installment plan in later years. The Council will determine, in considering the Organization's additional expenditures, the interest rates that will be applied in these cases.

Article IV. A Restriction on Capital

The sum of the net payment for capital made by the Participants and unpaid contractual monetary obligations are subject to a restriction. This sum comprises the accumulated payments made for capital by the Participants in accordance with Article III, less the accumulated funds that are subject to return to the Participant in accordance with this Agreement, plus the sums for the contractual monetary obligations of the Organization that are unpaid. An initial restriction on capital is established in the amount of US \$200 million. The Council is empowered to define the sum of the restriction on capital more precisely.

Article V. Shared Participation in Capital

1. The Participants' shared participation in capital is determined on the basis of use of the outer-space segment of INMARSAT. Each Participant's

shared participation is equal to the percent of his participation in the total utilization of the outer-space segment of INMARSAT by all Participants. Utilization of the outer-space segment of INMARSAT is measured by the expenditures levied by the Organization under the rates for utilization of the outer-space segment of INMARSAT, in accordance with Article 19 of the Convention and Article VIII of this agreement.

2. With a view to determining shared participation, use of the segment in both directions is divided into two equal parts: the ship part and the ground part. The ship part, which includes incoming and outgoing communications, pertains to that Participant of the Party that authorizes operation of a given ship. The ground portion, which includes incoming and outgoing communications, pertains to that Participant of a Party from whose territory or to whose territory communications are sent. However, if for some Participant the ratio of the ship part to the earth part exceeds 20:1, this Participant, after appealing to the Council, takes upon himself use of the segment equivalent to two ground parts or a shared participation in the amount of 0.1 percent, depending upon which of these amounts will be higher. Installations that are operated in a maritime environment for which access to the outer-space segment of INMARSAT is authorized by the Council are treated as ships for the purpose of applying this clause to them.

3. Prior to determining the shared participation on the basis of use of the segment in accordance with clauses 1, 2 and 4, the shared participation for each Participant is established in accordance with the Appendix to this Agreement.

4. The first determination of shared participation, based upon utilization of the segment in accordance with clauses 1 and 2, is made not less than two years and not more than three years after start of the introduction of the outer-space segment of INMARSAT into operation in the expanses of the Atlantic, Pacific and Indian Oceans; the specific date of introduction should be determined by the Council. For purposes of the first determination of shared participation, utilization of the segment is measured over the one-year period that preceded this determination.

5. After the first determination of shared participation based on utilization of the segment, the next shared participation is reviewed and introduced:

a) with an interval of one year after the first determination of shared participation on the basis of utilization of the segment, which is based upon utilization of the segment of all Participants over the preceding year;

b) from the date that this Agreement goes into effect for a new Participant; and

c) from the effective date of departure of the Participant from the Organization or cessation of its membership.

6. The share of a Participant who becomes a Participant after the first determination of shared participation based upon utilization of the segment is determined by the Council.

7. In cases where shared participation is determined in accordance with clauses 5 (b) or (c) or clause 8, the shared participation of all other Participants is adjusted in that same proportion that corresponds to their shared participation which was in effect for each of the Participants prior to this adjustment. Upon the departure of a Participant from the Organization or cessation of its membership, the shared participation that is determined in accordance with clause 8 in the amount of 0.05 percent will not be exceeded.

8. Regardless of any of the provisions of this article, no Participant should have a shared participation of less than 0.05 percent of the total shared participation of all Participants.

9. Under any new determination of shared participation, the share of each Participant should not be increased simultaneously by more than 50 percent of his initial shared participation or decreased by more than 50 percent of his current shared participation.

10. Any undistributed shared participation after execution of the provisions of clauses 2 and 9 are at the disposal of the Council, which distributes it among Participants who wish to increase their shared participation. Such additional distribution should not increase the share of the participants by more than 50 percent of their current shared participation.

11. Any shared participation that remains undistributed after the execution of clause 10 is distributed among the Participants in proportion to the shared participation which would have been determined for them after any determination called for by clauses 8 and 9.

12. At the request of a Participant, the Council can reduce its shared participation below the share that was determined for him in accordance with clauses 1-7 and 9-11 if the amount of this reduction is assumed voluntarily by other Participants who agree to increase their shared participation. The Council establishes the procedure for the correct distribution of the remaining share or shares of participation among Participants who wish to increase their shared participation.

Article VI. Financial Settlements Among Participants.

1. With each determination of shared participation after its original determination and after this Agreement goes into effect, financial settlements among Participants are made through the Organization on the basis of an assessment performed in accordance with clause 2. The sums of such settlements are determined in regard to each Participant by an assessment of the difference, if such exists, between the new shared participation of each Participant and the shared participation in it that preceded this determination.

2. The assessment is made as follows:

a) by withholding from the initially acquired cost of all the property on the Organization's books on the date of the adjustment, including all the capitalized returns and expenditures, the sums of:

1) the accumulated debts that are listed on the Organization's books on the date of the adjudication; and

ii) loans and other charges not consummated by the Organization on the date of the financial settlements; and

b) by refinement of the result obtained in accordance with subclause (a) with the addition or deduction of an additional sum, which is, respectively, a shortage or an excess, for payment by the Organization by way of compensation of the accumulated sum for the use of the capital which is owed in accordance with this Agreement, for the period beginning with the date this Agreement goes into effect until the effective date of determination of the assessment, in the amount or amounts that were established by the Council in accordance with Article VIII and were applied at that time. With a view to determining the shortage or excess, the sum owed for payment of the compensation is calculated monthly and is included in the net sum obtained in the cases indicated in subclause (a).

3. Payments owed by Participants or in the Participants' favor in accordance with this article are made on the date set by the Council. Interest, the amount of which should be determined by the Council, is added to any sum remaining unpaid after the arrival of this date.

Article VII. Payment of Settlements According to the Rates for Use of the Segment

1. Participants or authorized electrical-communications organizations pay settlements in accordance with the rates for use of the segment that are established in accordance with Article 19 of the Convention under the procedure adopted by the Council. This procedure should correspond to the greatest extent to the practice used in settlements for the use of international electrical communications.

2. If the Council does not adopt a different decision, the Participants and the authorized electrical-communications organizations are responsible for making information available that will enable the Organization to determine the total amount of utilization of the outer-space segment of INMARSAT and the shared participation. The Council establishes the procedure for transmitting such information to the Organization.

3. The Council establishes any appropriate penalties that are applied in cases where, for a period of four months or longer beyond the established date, no payment for expenditures is paid under the rates for use of the segment.

4. Interest, the amount of which should be determined by the Council, is added to any sum that remains unpaid after the payment date established by the Council.

Article VIII. Income

1. If the Council does not adopt a different decision, income obtained by the Organization will be allotted, if the income permits, in the following order, as a rule:

- a) for covering operational and administrative expenditures, as well as expenditures for technical servicing;
- b) for creating contingency funds, the requirement for which is established by the Council;
- c) for paying Participants, in proportion to their corresponding shared participation, the sums that represent compensation for capital in the form of the amortization deductions established by the Council and recorded on the Organization's accounts;
- d) for paying to a Participant who has left the Organization or whose membership has ceased the sums due it in accordance with Article XIII; and
- e) for paying Participants, in proportion to their shared participation, the accumulated residue that is compensation for the use of capital.

2. In determining the amount of the compensation paid to Participants for the use of capital, the Council considers the degree of risk connected with the payment for INMARSAT, and, taking this into account, it establishes this amount as closely as possible to the cost of money on world financial markets.

3. If the income obtained by the Organization does not cover its operating and administrative expenditures, plus expenditures for technical servicing, the Council can adopt a decision to cover the deficit amount through use of the Organization's contingency funds, through agreement on an overdraft, through issuance of a loan, through a requirement that the Participants make payments for capital in proportion to their corresponding current shared participation, or through any combination of the aforementioned measures.

Article IX. Execution of Settlements in Accordance with the Accounts

1. Settlements of accounts for financial transactions among the Participants and the Organization are made in accordance with Articles III, VI, VII and VIII in such a way that the funds transferred among the Participants and the Organization are maintained within permissibly low limits, just like the funds that are at the disposal of the Organization and exceed the contingency funds, which are determined in case of necessity by the Council.

2. All the payments between Participants and the Organization that are performed in accordance with this Agreement are made in any freely convertible currency acceptable to the creditor.

Article X. The Financing of Indebtedness

1. At the decision of the Council, the Organization can allow an overdraft for the purpose of covering a financial deficit until the corresponding income or payments for capital is obtained.

2. In exceptional cases the Organization can, at the Council's decision, issue loans with a view to financing any activity performed by the Organization in accordance with Article 3 of the Convention, or for covering

obligations accepted by it. The unpaid amounts of such loans are viewed as contractual monetary obligations for the purposes stipulated by Article IV.

Article XI. Responsibility

1. If the Organization is to make a payment in accordance with a binding decision of a competent court or as a result of an adjudication coordinated with the Council or approved by it, on any claim, including any expenditures or expenses connected with it, that has arisen as a result of any action committed by the Organization, or an obligation adopted by it which is carried out in accordance or in connection with the Convention or this Agreement, and if this claim is not satisfied by payment, by insurance or by other financial measures, the Participants pay the Organization the uncovered amount of the claim in proportion to their respective shared participation as of the date the responsibility arises, regardless of any restriction established by Article IV or in accordance therewith.

2. If a Participant, acting in his own capacity, is to make payment in accordance with a binding decision of a competent court or as a result of an adjudication coordinated with the Council or approved by it, of any claim, including any expenditures or expenses connected therewith, that has arisen as a result of some action committed by the Organization or of an obligation accepted by it which is fulfilled in accordance or in connection with the Convention or this Agreement, the Organization will reimburse the Participant the amount of the claim paid by it.

3. If such a claim is presented to a Participant, a condition for payment by the Organization is the Participant's urgent notification to the Organization about the claim and the granting of an opportunity to give expert opinion or to construct a defense, or to adjudicate the claim in some other way, to the extent allowed by the right of the court in which said claim was presented, or to allow the Party to appear in the process jointly with the Participant or instead of it.

4. If, on the basis of this article, the Organization is obligated to reimburse the Participant, and if this reimbursement is not covered by payment, insurance or other financial measures, the Participants pay the Organization the uncovered sum of the reimbursement in proportion to their corresponding shared participation as of the date the responsibility arose, regardless of any restriction established by Article IV or in accordance therewith.

XII. Release from Responsibility That Arises from Making Electrical-Communications Services Available

Neither the Organization nor any Participant who acts in his own capacity, nor any of their officials or workers, nor a member of the Board of Directors of any Participant, nor any representative in any of the Organization's organs, when he is executing his own functions, bears responsibility to any Participant or to the Organization for losses or damages that arise because of the absence of, delay in, or poor operation of electrical communications, the services of which have been or should have been rendered in accordance with the Convention or this Agreement.

Article XIII. Adjudication of Financing Matters upon Departure from the Organization or Cessation of Membership

1. In three months after the effective date of departure of a Participant from the Organization or cessation of his membership, the Council notifies the Participant in accordance with Articles 29 and 30 of the Convention of the assessment made by the Council of the Participant's financial position relative to the Organization on the effective date of departure of the Participant from the Organization or the cessation of its membership, and also of the proposed terms settlements called for by clause 3. The notification includes data relative to:

a) the sum that the Organization should pay to the Participant, which is calculated by multiplying the sums of his shared participation on the effective date of the Participant's departure from the Organization or the cessation of his membership therein by the sum established as a result of the assessment performed in accordance with Article VI as of that same date;

b) any sum that the participant should pay to the organization, which represents his share in the payments for capital for covering contractual obligations that were openly adopted prior to the receipt of notification of the Participant's decision to leave the Organization, or, depending upon the circumstances, prior to the effective date of cessation of membership, simultaneously with the proposed dates for making the payments; and

c) any other sums that the Participant should pay to the Organization as of the effective date of departure from the Organization or cessation of membership.

2. When the assessment called for by clause 1 has been made, the Council can adopt a decision to release the Participant completely or partially from responsibilities for paying his share for the capital for covering contractual obligations that have been openly adopted, and from the responsibility that arises as a result of any actions or omissions prior to receipt of the Participant's notification of his decision to leave the Organization, or, depending upon the circumstances, prior to the effective date of cessation of membership.

3. Where the Participant pays any sums owed by him in accordance with subclauses 1 (b) and (c), the Organization, taking Article VIII into consideration, pays this Participant the sums referred to in subclauses 1 (a) and (b) for the period that corresponds to the period for which the remaining Participants are reimbursed for their payments for capital, or in a shorter period if the Council adopts such a decision. The Council determines the amount of interest to be credited to the Participant, or charged him, for any sums which can remain unpaid from time to time as a result of the computations.

4. If the Council does not adopt a different decision, the settlement performed in accordance with this article does not release the Participant from the obligation to make his shared payment for capital for covering noncontractual commitments that arise as a result of any actions or omissions of the Organization prior to the date of receipt of notification of the Participant's decision to leave the organization, or, depending upon the circumstances, prior to the effective date of cessation of membership.

5. A Participant does not lose the rights he acquired as a Participant which he could continue to enjoy after the effective date of exit from the Organization or cessation of membership and for which he has not received compensation in accordance with the settlements executed in accordance with this article.

Article XIV. Authorization for Ground Stations

1. All ground stations should have the Organization's authorization to use the outer-space segment of INMARSAT in accordance with the criteria and the procedure established by the Council in accordance with article 15 (c) of the Convention.

2. Any application to obtain such authorization is submitted to the Organization by a Participant of the Party on whose territory the ground station is or will be located, or by the Party itself, or by a Participant of the Party that authorizes the placement of ground stations on a ship or at an installation operated in a maritime environment, or by an authorized electrical-communications organization--in regard to ground stations that are not under the jurisdiction of the Party on whose territory, ship, or installation operated in a maritime environment the ground stations are located.

3. Each submitter of a request referred to in clause 2 is responsible for the ground stations for which the request is submitted, and, to the Organization, that such stations observe the operating procedures and norms established by the Organization, if the Participant submitted the request and the appointing Party itself does not accept this responsibility.

Article XV. Utilization of the Outer-Space Segment of INMARSAT

1. Any request for use of the outer-space segment of INMARSAT is submitted to the Organization by the Participant, or, if the territory is not under the jurisdiction of the Party, by the authorized electrical-communications organization.

2. The organization authorizes use of the segment in accordance with the criteria and the procedure established by the Council in accordance with Article 15 (c) of the Convention.

3. Each Participant or authorized electrical-communications organization that has been authorized to use the outer-space segment of INMARSAT is responsible for observance of all the terms established by the Organization in regard to such use if the appointing Party, in those cases where the Participant submits its request, does not accept responsibility for authorizations issued to all or to certain ground stations that are not the property of the this Participant or is not operated by it.

Article XVI. Resolution of Disputes

1. Disputes that arise among Participants or between Participants and the Organization that touch upon rights and obligations under the Convention or this Agreement should be resolved by negotiations between the disputing Parties. If a dispute has not been adjudicated within one year after any disputing Party has appealed with a request for resolution of the dispute, and if the disputing Parties have not agreed upon a different procedure for

resolving the dispute, then the dispute, at the request of one of the disputing Parties, is submitted to arbitration in accordance with the Appendix to the Convention.

2. If mutual agreement has not been otherwise achieved, disputes that arise between the Organization and one or several participants in regard to agreements concluded among them are submitted to arbitration in accordance with the Appendix to the Convention, at the request of one of the disputing Parties within one year after any disputing Party has initiated a request for its adjudication.

3. A Participant who has stopped being a Participant continues to be bound by this article in regard to disputes that touch upon the rights and obligations that arise from the fact that he was a Participant of this Agreement.

Article XVII. Date of Effectiveness

1. This Agreement goes into effect for the Participants on the date the Convention goes into effect for the corresponding Parties in accordance with Article 33 of the Convention.

2. This Agreement remains in effect as long as the Convention remains in effect.

Article XVIII. Revisions

1. Any Party or Participant can propose revisions to this Agreement. Proposed revisions are presented to the Directorate, which informs other Parties and Participants about them. A revision is sent to Council members three months prior to its being examined by the Council. During this period the Directorate solicits and circulates the opinions of all the Participants. The Council examines revisions within six months after they have been circulated. The Assembly examines the revision not earlier than the expiration of six months after approved by the Council. The latter period can be reduced in any specific case by an Assembly decision that is adopted in accordance with the procedure for adopting decisions on matters of the essence.

2. If a revision has been approved by the Assembly after approval by the Council, it goes into effect at the expiration of 120 days after the date the Depositary receives notifications of its approval by two thirds of the Participants who, at the time of the Assembly's approval, were Participants or then had at least two thirds of the total shared participation. Notification of approval of the revision is transmitted to the Depositary only by the appropriate Party, and such transmission signifies adoption by the Party of that revision. When a revision becomes effective, it becomes binding upon all Participants, including those who did not adopt it.

Article XIX. The Depositary

1. The Depositary for this Agreement is the General Secretary of the Intergovernment Maritime Consultative Organization.¹⁾

¹⁾The International Maritime Organization since 22 May 1982.

2. The Depositary immediately informs all states that have signed and joined and all Participants about:

- a) any signing of this Agreement;
- b) this Agreement becoming effective;
- c) adoption of any revision to this Agreement and its becoming effective;
- d) any notification about a departure from the Organization;
- e) any granting of membership or cessation thereof; and
- f) any notifications and communications in regard to this Agreement.

3. When this agreement goes into effect, the Depositary will transmit a certified copy of it to the Secretariat of the United Nations Organization for recording and publication in accordance with Article 102 of the United Nations Organization Charter.

In certification of which the undersigned, who have been properly authorized to do so, have signed this agreement.

Done in London on the third of September, the one thousand nine hundred seventy-sixth year, in the Russian, English, Spanish and French languages, all texts of which are equally authentic, in one original copy, which has been turned over for safekeeping to the Depositary, which will send a certified copy thereof to the government of each state that has joined the International Conference on the Creation of an International Satellite System of Maritime Communications, to the government of any other state that has signed the Convention or has joined it, and to each Participant.

The Agreement was signed by the Soviet Party 3 September 1976.

The Agreement will go into effect for the USSR on 16 July 1979 in accordance with clause 1 of Article XVII.

11409

CSO: 1825/8

EAST-WEST RELATIONS

MORE POSITIVE THAN NEGATIVE RESULTS SINCE HELSINKI CONFERENCE

Moscow NEDELYA in Russian No 31, Aug 85 p 8

[Article by Vikentiy Matveyev: "Europe on the Move"]

[Text] The severe granite of Nordkap's cliffs which rise from the lead-colored waters of the Arctic Ocean at the extreme north of the continent and the sandy beaches of Italy at the continent's south filled to overflowing with people on holiday. The Parthenon's grey stones in Athens and the bright colors of Tolyatti's new buildings. Cities merging in huge agglomerations at the continent's center and the boundless expanses of the taiga in the Komi SSR. Sedate clerks in dark derbies with cane-umbrellas in the stock exchange quarter of London, the City, and the multi-colored national costumes of Slovakia, Catalonia, Moldavia, Croatia and Lapland. Windmills on the plains of the Netherlands and the moss-covered towers of Svanetia's mountains. A sea of smoking factory smokestacks and districts and city squares which look like a museum...

All this is our continent, our common home. Europe in its unique diversity and, at the same time, in the common character of historical destinies. The most devastating and bloodiest wars have raged on our continent.

Europe was the main arena for the "cold war" unleashed by the forces of imperialism at the end of the forties and the beginning of the fifties. This is why the negative trend in the first half of the post-war period, up to the middle of the sixties approximately, let itself be heard from with more force than the positive trend. The second half of the 40 year post-war period was marked by an obvious growth of the positive trend and by substantial steps of constructive diplomacy which found their greatest realization in the successful outcome of the Conference on Security and Cooperation in Europe and in the signing of conference's Final Act.

That was 10 years ago in Helsinki. How quickly time flies!

The Soviet Committee for European Security and Cooperation has done useful work in preparing its report "Helsinki--10 Years After. The All-European Process for Strengthening Security and Developing Cooperation: Results and Prospects" for this memorable date. The report was published by Progress Press. There are not so very many pages in this publication, it is rather compact, but it is dense content-wise.

"The past 10 years," the work states, "have shown quite convincingly that the realization of the results of the All-European Conference is a beneficial, but at the same time complex, contradictory and multi-task process. The test of time has certainly proven that Helsinki was an important stage of Europe's post-war development and the continuation of trends, the bases of which were laid in Tehran, Yalta and, later, Potsdam. The conference has left a lasting imprint on international relations of the last decade."

Tehran, Yalta and Potsdam...These are landmarks of the close cooperation of the member-states of the anti-Nazi coalition in the fact of a common deadly enemy. Differences in the social structure of the coalition's participating states did not prevent them from being partners in the gigantic battle against the fascist aggressors.

And now? Is there a common enemy before the nations which requires combined efforts on the broadest scale? Yes, there is such an enemy and the CPSU Central Committee's report at our party's 26th Congress speaks about this clearly. It is the arms race itself which preserves tension in the world. "We are prepared to fight," the report points out, "hand in hand with America, the European states and all the countries of our planet against this genuine, not imagined threat."

The Final Act of the All-European Conference is a significant and effective contribution to what can be called the struggle for the most important thing not only in Europe, but on our planet in general--lasting peace in an age of rocket speeds, nuclear energy and a rapid scientific and technical revolution.

How many wars and conflicts have begun in the past due to territorial disputes and claims for the redrawing of existing borders! Europe has been chronically ill and suffering from these disputes and conflicts for centuries. The concern for peace must begin with securing the stability of borders. The principle of the inviolability of the existing borders on our continent is one of the basic and fundamental "ten commandments of peace," as the Helsinki agreements are often called.

That is why those groups in the West which have met the success of the All-European Conference gritting their teeth are directing their efforts at trying to undermine the Helsinki document primarily against the principle of the inviolability of borders.

In spite of certain negative aspects, the results of the decade following the signing of the Final Act have been positive, as a whole. The above-mentioned publication of the Soviet Committee for European Security and Cooperation sums up in the following manner the meaning of the agreements made in the light of practical experience:

First, the objective personal interest of the overwhelming majority of the participants of the All-European Conference in continuing the process begun has been shown.

Second, any deviations from the ten principles agreed upon in Helsinki have only shown that it is necessary to observe this code of norms for mutually beneficial peaceful cooperation in Europe.

Third, full use of the potential in the Final Act's Declaration of Principles can become a reliable means of eliminating tension from the practice of international relations, and as applied not only to Europe, but to other regions and continents.

Perspective and a look to the future are evident in such conclusions. The Helsinki agreements are both an end and a beginning. The end of extremely difficult negotiations. The beginning of a great work intended for a long period of time. In this connection, a comparison between the "mole of history" and the "locomotive of history" suggests itself. The blind mole has been digging earth on the continent over the course of centuries, laying in war shocks. The human mind is capable of breaking the cycle of violence and putting the locomotive on the tracks which could move our continent along the path of good neighborliness and peaceful cooperation. Only the first meters on such a path have been made. A long road lies ahead and it is not free from obstacles.

The sections in the Final Act which deal with military detente and disarmament on the continent are the least worked out. This sphere is the most difficult, but also the most important for protecting our continent against the nuclear cataclysm.

In connection with the extension of the Warsaw Pact's period of validity, the Soviet Union and other participants have confirmed their readiness to disband this organization, which arose in response to the appearance of NATO, if NATO agrees to respond in kind--that is, to disband their group. The governments of NATO's member-countries do not wish to hear about such a prospect.

NATO is Washington's most important lever of influence on their partners. And they are trying there to make this lever not less, but more effective in conditions where, on the basis of economic and other indicators, the USA's relative share in the capitalist world is not rising, but falling. Hence, Washington's bitter resistance to any steps which could lead to a weakening of the military confrontation in Europe between NATO and the Warsaw Pact.

Does this mean that efforts in such a direction are doomed to failure and it's not worth undertaking them? No, it doesn't. No pain, no gain. Regarding the efforts of peaceable governments and broad public groups, it is not necessary to talk about pain. The situation in Europe, in spite of the confrontational line of Washington's present administration, is characterized by a considerable degree of dynamism which allows the matter of military detente to move ahead.

The period after the All-European Conference was marked by the conclusion of an unprecedented number of trade and economic and scientific and technical agreements--for a long period, as a rule--between European socialist and capitalist states. The trade turnover between West European countries and the CEMA member-countries almost doubled from 1975 to 1983. Last year, a Soviet export

gas pipeline--the very large fuel and energy main which extends from Siberia to the West European countries--became operational. It is not tanks, but peaceful energy that moves from East Europe to the West!

More can be done, of course. Our country is in favor of the further expansion of such exchanges.

The placement of new American nuclear missiles in Western Europe since November 1983 has seriously complicated the situation at the center of the continent and has forced the USSR to take reciprocal measures in order to preserve the balance of power. The balance is under the conditions which have developed, the most effective means of discouraging NATO's militarists from testing the strength of the defensive shield of the fraternal socialist countries. In Washington, they are complaining about the growth of anti-American sentiments in Western Europe. Should the presence of such sentiments be surprising, however? It is no accident such "complainers" across the ocean are anxious about the climate of public opinion in the FRG. The Pentagon's most important beachhead is located right there, aimed against the Warsaw Pact countries. How can the ordinary inhabitants of the FRG and even a good many of the representatives of this country's ruling class be delighted with the "Pershing-2" and cruise missiles positioned near the FRG's densely populated centers.

The Soviet Union, together with its allies in the Warsaw Pact, have advanced an entire set of constructive ideas and suggestions intended to save Europe from the burden of the arms race, nuclear arms primarily. It's now up to the western powers. There can be no winners not only in a nuclear war, but in an arms race as well. Life should have thoroughly shown Washington and the USA's allies in NATO the groundlessness of counting on the USSR's economic exhaustion on the arms race path. It has turned out to be more and more burdensome for even the richest capitalist country--the USA.

In making efforts to bring the situation in Europe into a basically healthy state, we do not take the desired for the actual, but proceed from the actually operating factors of contemporary international life which allow us to make tangible improvements in a most, it would seem, serious situation.

12614/12795

CSO: 1807/476

SOCIALIST COMMUNITY AND CEMA AFFAIRS

NOVEMBER 1984 BLOC SCHOLARS' CONFERENCE ON PEACE STRUGGLE

Moscow OBSHCHESTVENNYE NAUKI in Russian No 3, May-Jun 85 pp 5-13

[Article by L. Voronkov, candidate of historical sciences, executive secretary of the Scientific Council for the Study of Problems of Peace and Disarmament: "The Lofty Responsibility of Scholars"]

[Text] In matters of defending values common to all mankind, universal peace and social progress, scholars are speaking out more and more seriously. The catastrophic consequences of a widespread nuclear war are especially evident to them. The leading figures of science are convinced that a nuclear conflict is not a fatal inevitability in our time and that peace can be preserved and strengthened by the common efforts of all peace-loving forces.

The tasks of the conference of scholars from socialist countries, which took place in Moscow on 29-30 November 1984, at the initiative of the Scientific Council for the Study of Problems of Peace and Disarmament, were the following: to discuss ways of reinforcing the contribution of scholars from socialist countries in the struggle against the aggressive policy of the imperialist circles and their accomplices, and for control of the arms race and a return to the policy of detente, as well as to exchange experience in research work and outline ways for the further deepening of cooperation on these problems. Participating in the conference were the vice presidents of the academies of sciences of a number of socialist states, administrators of national research centers and authoritative representatives of the scientific community of 11 countries.

P. Fedoseev, vice president of the USSR Academy of Sciences and chairman of the Scientific Council for the Study of Problems of Peace and Disarmament, opened the conference with a report on "The Contemporary Anti-War Movement and Prospects for its Development". He stressed that a radical change in the course of world events toward detente, disarmament and broad international cooperation can occur only as a result of the common efforts of all peace-loving states and a powerful, united, world anti-war movement. Having defined this movement as a new, specifically social and historical community, the speaker characterized its feature, stages, growth and most urgent tasks. P. Fedoseev stressed the particular importance of strengthening mutual understanding and interaction between the advocates of peace in the socialist states and the anti-war community in the capitalist countries.

A great deal of attention was devoted in the speech to the role of scholars in the struggle against the nuclear threat. Their duty consists above all in telling the truth about the possible consequences of a thermonuclear catastrophe, exposing the sources of the military threat, investigating and suggesting real measures for counteracting the forces of imperialist aggression, in order to ensure international security, and promoting the mobilization of the peace-loving community for the struggle with the threatening danger. Particular importance is attached to denouncing the theories and ideas which, in any case, justify the arms race and the policy of confrontation, and which rouse the spirit of suspicion and mistrust between peoples and between various groups in the anti-war movement.

One of the important tasks of researchers is a thorough comprehension of the universal historical results and lessons of the Second World War and an exposure of bourgeois falsifications of the history of the struggle with German fascism and Japanese militarism. As P. Fedoseev emphasized, the scholars of the countries of the socialist commonwealth have always been in the first ranks of the struggle to eliminate the nuclear threat. Their deep consciousness of responsibility for the fate of mankind, their active position in the defense of peace and their knowledge and authority have greatly promoted the development of the anti-nuclear, anti-military movement. In the international situation which has taken shape today, there is an imperative need for further activation of their efforts in this direction, for broad involvement of scientific figures in a public dialogue on questions of war and peace, and for a search for ways in which the spiral of the arms race can be broken and nuclear catastrophe can be prevented.

A. Yakovlev, director of the Institute of World Economy and International Relations of the USSR Academy of Sciences, deputy chairman of the Scientific Council for the Study of Problems of Peace and Disarmament, and corresponding member of the USSR Academy of Sciences, gave a report entitled "Sources of the Military Threat and the Struggle for Peace". He particularly stressed that real historical progress, which is gaining speed, is narrowing, step by step, the possibilities of imperialism and its potential for maneuvering. Deep objective displacements in the position of the USA in the modern world and a reduction of its role in the world have caused purposeful attempts by the American ruling circles to regain its lost positions in world economy and politics, as well as in the world military and strategic situation, and to activate an offensive imperialist strategy in all areas of world development. The rightist conservative groups which have come to power, who are openly oriented to militarism and chauvinism, to force as a means of policy and to a significant and demonstrative animation of ideas of the messianic predestination of the USA have become the implementers of this strategy.

¹The text of the report has been published in the journal, MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA (MEMO), 1985, No. 2. See also: P. Fedoseev, "Sovremennoye Antivoyennoye Dvizheniye i Politika Mirnogo Sосushestvovaniya" [The Contemporary Anti-War Movement and the Policy of Peaceful Coexistence]. OBSHCHESTVENNYYE NAUKI, 1985, No. 2.

A. Yakovlev noted that the victory of this policy bears within itself an increased charge of political power and involves long-term consequences not only for American imperialism, but for imperialism as a whole, inasmuch as the process that is occurring is characteristic of the whole present stage of the general crisis of capitalism.

With regard to the sources of the military threat in the modern world, the speaker also discussed the strivings of American imperialism to regain military superiority and destroy the existing parity. These strivings include a qualitative arms race, ensuring the possibility of a "first strike" against the Soviet Union, active utilization of quantitative and qualitative improvements in the system of basing its military might outside the borders of the USA for a struggle against socialism and the national liberation movement and for the instigation of regional and local conflicts to this aim, and an aggravation of the "psychological war" against the fundamental forces of the world revolutionary process. At the same time, the report characterized the totality of factors which are able to exert a restraining influence on the development of militarist tendencies in the USA.

A. Yakovlev said that in the countries of socialism, there is full awareness of the acuteness of the situation which has developed in the world arena and realization of how difficult it is, under current conditions, to achieve a turn for the better in international relations. It is also necessary to take into consideration that in many capitalist countries, as a result of poor information and deliberately induced ignorance, people often lack a real idea of international events and about the threat to peace which comes from American imperialism. Nevertheless, the world is not doomed to confrontation. On the contrary: it is precisely a confrontation that is anomalous in international relations, at the same time that their norm can and must remain detente.

In conclusion, A. Yakovlev emphasized that the scholars of socialist countries can, of course, do a great deal, above all in the sphere of their scientific work, but also in public activity to further the struggle for peace and in favor of detente. Today, representatives of the natural sciences - physicists, chemists, biologists and physicians - are taking an active part in scientific and political activity to prevent and avert the threat of nuclear war. They understand better than anyone the sort of consequences which may result from a nuclear war. But representatives of the social sciences - philosophers and economists, historians and jurists, psychologists and sociologists - can also make a great contribution. They are able to answer a number of important questions posed by life itself. The extremely complex and sometimes confused situation which has now developed in certain capitalist countries and in the world arena as a whole constantly raises new and often complicated problems. For example, to what extent is the steady movement to the right in the USA supported by long-term or conjunctural factors? How solid is the economic and social support of militarism and aggressiveness there? What influence is exerted on the foreign and military policy of the USA by the policy of competition of two systems in the economic and scientific and technical areas and its dynamics? How can the arrangement of forces within the imperialist camp change and what is

the correlation between the centrifugal and centripetal tendencies which are developing in it? How should the level and consequences of the rivalry among the three basic centers of imperialism be evaluated?

The answers to these and many other questions require a careful analysis of the most diverse factors which characterize the situation in individual countries and in the world arena as a whole. It is precisely a scientific analysis that is necessary in order to organize an effective opposition to the military threat from imperialism, to achieve further solidarity of peace-loving forces and promote the moral and political isolation of war mongers, as well as to do everything so that civilization on earth may continue its normal course.

An analysis of the contemporary international situation, causes of and factors in its aggravation and ways of returning to a policy of peaceful coexistence was continued and developed in speeches by scholars from socialist countries.

Academician Z. Snitil, vice president of the Czechoslovak Academy of Sciences, indicated that the current situation in the USA and in a number of NATO countries reaffirms the Leninist definition of militarism. Regardless of the fact that the content and form of the realization of both aspects of militarism - the internal and external - has been modified, its essence has not changed, while its roots, which nourish it, have become even deeper. The Soviet Union represents the most important obstacle on the road to realization of the expansionist aims of imperialism. It is for precisely this reason that the spearhead of the policy of confrontation and military preparations on the part of the reactionary forces is directed against the USSR and the defensive union of states of the Warsaw Pact. Z. Snitil expressed particular anxiety in connection with the animation of revanchist tendencies in the FRG. In this country today, revanchism is becoming a component part of official state doctrine and ideology. Z. Snitil concluded his speech by saying: "If the terrible prospect of war and, at the same time, the destruction of mankind is naturally connected with imperialism, the prospect for peace and, at the same time, the preservation of human civilization and life on our planet is naturally connected with socialism and communism."

Academician Zs.P. Pah, vice president of the Hungarian Academy of Sciences, characterized the cardinal changes in contemporary social life. As a result of the scientific and technological revolution, for the first time in world history a situation has arisen where mankind can feed itself, but, at the same time, can destroy itself with the arms that it has accumulated in arsenals. A military balance has been established between the socialist and capitalist systems. The countries of the socialist commonwealth, supporting and developing cooperation with one another and with the main power of

² See also A. Yakovlev, "Istoki Ugrozy i Obshchestvennoye Mneniye" [Sources of Threat and Public Opinion]. "MEMO", 1985, No. 3.

the commonwealth - the Soviet Union, appear as the major factor in the preservation of peace. Zs.P. Pah declared that the Hungarian public is convinced that the basic cause of the aggravation of international tension is the policy of the reactionary circles of the USA, which are trying to secure military superiority over the countries of socialism and appear in a position of strength. But the outcome of competition between two world systems cannot be decided by means of war. The particular character of the modern epoch consists in the fact that the danger of application of nuclear arms presupposes only one choice: all nations must stand up on the side of the anti-war forces.

As P. Zarev, vice president of the Bulgarian Academy of Sciences, stressed, questions of preserving peace have acquired an exceptional urgency in the 1980's in connection with the intensification of aggressiveness in the foreign policy of the USA. Attention to the historical lessons of the Second World War has become very vital in the situation which has developed. These lessons teach that in order to frustrate the aggressive plans of imperialism, it is imperative to unite all progressive, democratic, peace-loving forces on earth. The experience of the four decades which have passed since the total defeat of fascism confirms our conviction of the fact that man has the possibilities not to permit a catastrophe. Peace must not be simply a respite between wars. It is inconceivable to resolve the global problems of mankind under conditions of an arms race and a policy of confrontation.

In the speech of Academician G. Klar, chairman of the Committee on Scientific Questions of Ensuring Peace and Security, attached to the GDR Academy of Sciences, it was stated that in order to justify their aggressive policy, the ruling circles of the NATO countries make widespread use of the myth of anticommunism and poison the consciousness of the masses. A great lack of information remains in the Western European community regarding the way of life and the values of socialist society, as well as regarding the policy of peace conducted by the countries of the socialist commonwealth. For that reason, propaganda of ideas of peace must be organically linked with dissemination of the truth about real socialism and exposure of anticommunist stereotypes.

On the basis of experience of events in Poland in recent years, Ya. Rykhlevskiy, chairman of the Committee on Peace Research of the Polish Academy of Sciences, chairman of the Committee on Space Research of the Polish Academy of Sciences and corresponding member of the Polish Academy of Sciences, revealed the close interconnection between problems of peace and the modern class struggle. The struggle for peace and for ensuring the future of mankind is, in essence, closely connected with opposition to the frantic militarism of those representatives of large-scale capital who are in power in the USA.

In the speeches of Professor Fan Zui Tong, deputy chairman of the Committee on Social Sciences of the Socialist Republic of Vietnam and deputy chairman of the Vietnamese Committee for the Defense of Peace, Academician Han-Hi-Ho, vice president of the Academy of Sciences of the Korean People's Democratic Republic, Academician Sh. Natsagdorzh, vice president of the Academy of

Sciences of the Mongolian People's Republic, and Su Van Ton, the representative of Laotian scholars, great attention was devoted to the situation in Asia. The speakers revealed the sources of the military threat to the peoples of the region and described the concrete steps of socialist countries to ensure peace and security on the continent.

The conference was also attended by representatives of the natural sciences who spoke from the professional standpoint about the possible consequences of the unleashing of a nuclear conflict.

Academician N. Blokhin, president of the USSR Academy of Medical Sciences, cited scientifically based data regarding the scale of casualties among people under conditions of a modern nuclear war. According to the calculations of Soviet specialists, the results of which practically correspond to the estimates of their American colleagues, in the event of a global nuclear conflict, about 2,250,000,000 will die in the initial stage. Those who remain alive will have increased leukemia and cancer rates, as well as permanently damaged heredity. The next generation of people, if it should survive, will be a society of cripples. Nuclear war, said N. Blokhin, is not war, but simply mass annihilation of people and destruction of cities: it is the end of mankind on earth. Under conditions of nuclear war, physicians will not be able to fulfill their professional duty.

Academician N. Moiseyev, deputy director of the Computer Center of the USSR Academy of Sciences, and V. Aleksandrov, head of the climate patterns sector of this center, both members of the Committee of Soviet Scholars in Defense of Peace and Against the Nuclear Threat, made a report on the possible biological and climatological consequences of nuclear war, devoting particular attention to the phenomenon which has been named "nuclear winter." They indicated especially that, according to present estimates, a nuclear explosion of only one megaton in power can hurl from 300,000 to one million tons of finely dispersed dust into the lower atmosphere of the earth. From the fiery balls of nuclear explosions, it is inevitable that large numbers of fires will occur, causing a colossal quantity of soot. As a result, access of solar radiation to the surface of the earth will be blocked. There will be a worldwide cooling to the extent of dozens of degrees (from 10°C to 30°C on the average), which will last in various places on the planet from weeks to a year. The intensity of the fall in temperature and the severity of the "nuclear winter" will be practically the same whether a 10,000 megaton or a 100,000 megaton nuclear weapon is used, if it is directed against cities. Due to the immense temperature contrast between the land and the Pacific Ocean, extremely severe gales will occur along the coasts of all the continents, as a result of which life there, in all likelihood, will be totally swept away. In connection with the change in the coefficient of reflected solar radiation, its entry onto the surface of the earth will be reduced, which, in the opinion of some scholars, may bring our planet into conditions of a new ice age.

Objective scientific data confirm the conclusion that it is impossible to "survive" a nuclear war, to limit it to some sort of local framework or to reduce the damage from the application of a nuclear weapon to a certain

"acceptable" level. There can be no victors in a nuclear war. Averting a nuclear catastrophe is the most urgent problem of modern times and it has a global character.

Academician D. Gvishiani, deputy chairman of the USSR State Committee on Science and Technology and director of the All-Union Scientific Research Institute of Systems Research, discussed the social and economic aspects of this problem. Even if international tension does not lead to the tragic outcome itself, under conditions of confrontation, the inevitable arms race is even now entailing the most ruinous social and economic consequences, devouring huge sums and the most valuable raw materials and energy. The arms race into which the imperialists are now drawing the developing world is causing irreparable damage to the resolution of all the most important global problems. As a result, these problems become a source of international tension instead of stimulating mankind to unity. They are becoming today the battlefield of two lines pursued in the world arena: socialism on the one hand and capitalism on the other.

Academician E. Primakov, director of the Institute of Oriental Studies of the USSR Academy of Sciences, told of how preparations for nuclear war and the arms race are substantially complicating the resolution of social, economic and political problems in the developing countries. In order to overcome the most acute problems in these countries, according to UN estimates, a sum equivalent to 8-10 percent of the yearly world expenditures on armaments would suffice. In particular, only 0.5 percent of their present extent would be enough to establish the prerequisites for self-sufficiency in terms of food for the poorest nations in the near future. E. Primakov recalled the repeated offers of the USSR to reduce its military budget by 10 percent and utilize part of the savings for the help and assistance of liberated states.

As was emphasized by R. Bogdanov, deputy director of the Institute of the USA and Canada of the USSR Academy of Sciences, in the limitation of arms, the material foundation of war, the peoples of the socialist countries see the chief conditions for ensuring peaceful possibilities for the construction of a new society, as well as for preserving life itself on earth. In the nuclear age, it is criminal to think in categories of strength and confrontation; it is impossible to build a realistic policy on the basis of an arms race. R. Bogdanov showed the enormous importance, in the matter of defending peace, of the common steps taken by the countries of the socialist commonwealth in the international arena and their foreign policy initiatives, aimed at a return to detente and to correct relations on the basis of the principles of peaceful coexistence.

Questions of the responsibilities of scholars for the fate of the world and their role in averting a nuclear catastrophe were raised in the speeches of all the conference participants. Academician M. Nalench, chairman of the International Council of the Pugwash Movement and chairman of the Polish Pugwash Committee, expressed his satisfaction in mentioning the great activity of scholars from the USSR and other countries of the socialist commonwealth in this movement. Academician M. Markov, chairman of the Soviet

Pugwash Committee, recalled that in the Warsaw Declaration of the Pugwash Movement, signed in 1982 by 111 Nobel prize laureates, it states: "We are convinced that from the technical point of view disarmament is practicable; only the political will is lacking." Scholars can help people realize the utter seriousness of the danger that hangs over the world. A powerful people's movement must call that political will into being which does not yet suffice to resolve the problem of disarmament. The Russell-Einstein Manifesto already contained the demand that international problems should not be resolved on the battlefield, but through mutual agreements. The fact itself, however, that negotiations are being conducted must not be permitted to create the illusion of well-being in the world.

Professor M. Nicolaescu, head of the department of international political relations of the Ștefan Gheorghiu Academy, attached to the Central Committee of the Romanian CP, spoke about the elimination of dictates and force as a means of implementing relations between states and about the strict putting into practice of negotiations. The modern epoch engenders new demands on the practice of international negotiations from the standpoint of combining both rights and obligations, i.e. responsibility on the part of governments for encouraging dialogue.

G. Morozov, deputy chairman of the Scientific Council for the Study of Problems of Peace and Disarmament, acquainted the conference participants with the work of this council, which was organized in the USSR in 1979. Academician I. Lukinov, vice president of the Ukrainian SSR Academy of Sciences, G. Dzhibladze, academician and vice president of the Georgian SSR Academy of Sciences, and V. Shteynberg, academician-secretary of the Social Sciences Section of the Latvian SSR Academy of Sciences and academician of the Latvian SSR Academy of Sciences, told of the activities of scholars of the Soviet republics in preventing nuclear catastrophe.

The exchange of information conducted at the conference, regarding the anti-war activities of scholars from the socialist countries, indicated that the content and forms of these activities have been enriched in recent years. Alongside the institutes which specialize in international studies, where research on problems of peace and disarmament has been traditionally conducted, other centers of scholarship are also being drawn into this research. The complex, interdisciplinary approach to the analysis of problems of preserving peace is being intensified. The participation of scientific centers and of individual scholars in the actions of peace advocates has become more lively. In order to stimulate scientific research and socio-political activity on the part of scholars in the area under consideration, special organizations have been established in most fraternal countries: the Council on Problems of Peace, International Security and Disarmament, attached to the Presidium of the Bulgarian Academy of Sciences, the Inter-institute Center on Coordination of Peace Research, attached to the Hungarian Academy of Sciences, the Committee on Scientific Questions of Ensuring Peace and Security, attached to the GDR Academy of Sciences, the Committee for Peace Research of the Polish Academy of Sciences, the "Scholars and Peace" Committee of the Socialist Republic of Romania, the Scientific Council for the Study of Problems of Peace and Disarmament and the Committee of

Soviet Scholars in Defense of Peace and Against the Nuclear Threat in the USSR, and the Commission of the Presidium of the Czechoslovak Academy of Sciences on Coordination of the Study of Problems of Peace and Disarmament.

The conference, which was held in a creative spirit, revealed full agreement on the major positions of the delegations represented at it, as well as basic evaluations of the current world situation. An Appeal to Researchers on Problems of Peace and Disarmament of All Countries was unanimously passed at the closing session.

Simultaneous with the conference, a working meeting took place in Moscow of representatives of the academies of sciences of the socialist countries, at which there was discussion of practical problems regarding the further deepening of comprehensive cooperation and research on problems of peace and disarmament. There was recognition of the particular importance of common work on the following subjects: prevention of world thermonuclear war; approaches of the socialist states; socio-economic factors and the consequences of the arms race; the modern anti-war movement: tendencies and factors in development; ways of resolving urgent problems of security and cooperation in Europe; problems of peace and security in Asia; the influence of the threat of nuclear catastrophe on modern man.

The meeting participants supported the establishment of a comprehensive commission of academies of sciences of the socialist countries on problems of peace and disarmament.

³ This document was published in the previous issue of the journal, OBSHCHESTVENNYE NAUKI. Ed.

Copyright: Izdatelstvo "Nauka", "Obshchestvennyye nauki", 1985

12249

CSO: 1807/456

UNITED STATES AND CANADA

DETAILED ACCOUNT OF U.S. DECISION TO DROP ATOMIC BOMB

Moscow IZVESTIYA in Russian 3, 4, 5 Aug 85

[Article by Yu. Bandura: "Target No 1"]

[3 Aug 85 p 5]

[Text] Within a couple of days, on 6 August, the memory of the people will again stand as an honor guard among the ashes of Hiroshima. For 40 years now people have been bowing their heads in mournful silence over this point in the boundless world, promising the victims: "The past will never be repeated...." And for all of these 40 years the Hiroshima of August 1945 has been howling to the people from out of its tortured nonexistence: "The past must not be repeated...."

It seems that this was so long ago. But "was" it? Has it departed, never to return, leaving only an ugly scar on the bright joyous face of history?

On 8 May 1985 from the tribune of the Kremlin's Palace of Congresses the reminder rang out: 40 years is a significant amount of time by any standards. Time takes its toll: those who were born after the Victory have grown up, and their children are now adults, and for the majority the world war is an event which is not associated with their own personal experience. But the war left such a legacy that its results and lessons continue to exert an influence on the entire course and nature of world development and on the awareness of people." One of these lessons was Hiroshima...

"When Will the War End..."

The work on the atom bomb began in the United States as a "response to the German challenge," in order to create a counterbalance to the "secret weapon" over which--as people in Washington and London were convinced as early as 1939--the atomic engineers of the "Third Reich" were racking their brains.

They did not skimp on funds. The entire "project" took more than \$2 billion, a fantastic sum for those times. But they spent it at that time not only on developing a weapon whose fatally destructive force was previously unknown to mankind, but also on preparation for the policy which the United States was to follow in the postwar world.

Ideas about the world structure in the age which was to begin with the end of the war began to occupy Roosevelt as early as 1942. A politician with common sense, and vision, the president did not want any more wars. He thought that when the aggressors were routed peace could be maintained throughout the world through the joint efforts of the four powers--the United States, Great Britain, the USSR and China.

But with all that Roosevelt was still a son of his epoch and of his system. And--the leader of the richest, the most influential and the most powerful country in the West. And thus force played far from the least important role in his calculations. Perhaps this is why FDR (as Roosevelt was called in the United States) instructed the committee of the Joint Chiefs of Staff of the American army to give a detailed development of his concept of "ensuring peace after the war." And by November 1943 their proposals, formulated in document JCS 570, were submitted to the president.

Roosevelt's idea, concretized by the joint chiefs of staff, had the following appearance. Peace was to be maintained on the planet by "an international police force." Its backbone was to have been the air force of the United States, as the country that had surpassed all its allies in the area of aircraft construction. And since aviation was American, and its target was the entire world, the United States was to have bases for these "flying fortresses" throughout the entire world.

Giving the Joint Chiefs preliminary instructions, Roosevelt explained: atomic weapons must be at the disposal only of the United States and Britain. The USSR and China will be allowed to have only conventional weapons.

Even in these rough plans one can see the embryo of all the military and political doctrines which Roosevelt's successors were later to circulate in the field of thermonuclear omnipotence, at the same time rejecting everything positive that had been accumulated in Soviet-American relations during the war years.

An entry in the diary of War Secretary Stimson makes it possible to imagine precisely the destiny Washington had prepared for our country right after the end of World War II. And from it it is clear that several hours after the attack in 1945 it gave the U.S. president the idea: to use the "atomic secret" in order to force a "liberalization of conditions" on the Soviets. That is, to force the USSR to reject the socialist system of public structure.

It is asserted in the diary that FDR had not rejected this "idea." He had no opportunity either to reject or reject Stimson's entry. It is known, however, that the U.S. war secretary did not abandon this fantastic thought and even "worked on a draft of the constitution" which Truman was to have suggested to us. And he did not stubbornly resist. From the recently published private entries of Roosevelt's successor to the post of president one discovers that he intended to give the Soviet Union an ultimatum: either we change our political system or there will be a nuclear war....

Thus the USSR appears in the long-term plans of the United States which are associated with atomic strategy.

It was approximately at this time that Japan appears in Washington's plan.

This country initially had nothing to do with the race to manufacture an atom bomb: as far as we know Washington never considered Japan to be a nuclear threat. But as early as the summer of 1943 Japan turns out to be if not the only, at least the main object of the threatening atomic bombing.

Why Particularly Japan?

In the American archives there is a document signed on 24 June 1943 by W. Bush, one of the leaders of the work on the "Manhattan Project" at the time: "I tried to turn the president's attention to Germany as a possible target for the atomic bombing, but under the influence of the president I changed my viewpoint so as to have in mind using the bomb against Japan rather than against Germany."

Perhaps Roosevelt's decision was influenced by the prejudice many Western leaders had at the time. As the noted English historian Thorn says in his book "A Kind of Ally," the U.S. president was an advocate of the "theory" of the American anthropologist Hrdlicka, who had convinced FDR that the Japanese nation was a nation of "island pirates, whose entire modern history is filled with treachery, usurpation and animal crudity" simply because the craniums of these people are 2,000 years behind ours in their development." Believing in the truthfulness of this "theory," Roosevelt even instructed Hrdlicka to engage in "improvement of the breed of Japanese" through crossing representatives of them with people of other ethnic groups.

Perhaps FDR's approach to Japan was influenced by Pearl Harbor (this would have justified the atomic bombing in the eyes of all Americans who were thirsting for vengeance for the "Pacific Ocean treachery"); possibly this was affected by their strategic intentions to turn the Pacific Ocean into an "American lake" after the war, which required eliminating Japan as an unwavering pretender to hegemony in the Far Eastern-Pacific Ocean region. In one way or another, Japan was named target No 1 of the thermonuclear age.

It is difficult to say how events would have developed in reality had Roosevelt lived until August 1945. It is known from the documents that he had not predetermined the question of the unconditional use of the atom bomb against Japan. But in August 1945 the final decision was made by others....

Invasion and Not a Blockade

The closer and the more obvious the inevitable defeat of Hitlerism became, the more frequently and the more intently Washington's and London's attention was focused on the Far Eastern aggressor. And on 29 March 1945 the U.S. Joint Chiefs of Staff approved a plan for routing Japan which envisioned landing troops on the Japanese islands themselves.

According to calculations of the American command, in order to carry out the entire operation Washington and London would need no less than 5 million people (by the beginning of 1945 the United States and Britain had used 2.4 million people against Japan). It was necessary to plan to have twice as many men as the enemy did since the resistance was expected to be strong: in the opinion of U.S. Secretary of Defense Stimson, when landing on the Japanese islands the Allies could expect "an even harder fight than in Germany" and the losses of American troops alone were to have amounted to no less than a million people.

An important role in achieving this goal, naturally, was assigned to atomic weapons, which did not exist yet: although at the high level the question of utilizing them still remained open, the U.S. military leadership planned to drop nine atomic bombs on Japan.

It had to be admitted (and in the higher echelons of power in the United States there were people who did admit) that it would have been possible to bring the aggressor to his knees not only by landing troops on the Japanese islands (and, consequently, not only by sacrificing the lives of the soldiers), but also by applying atomic weapons.

The fact is that even by the beginning of 1945 the troops of the Western Allies had overwhelming supremacy over Japan both in navy and air force. For the 87 American and English aircraft carriers the Japanese had only six, the ratio of battleships was 29:5 in favor of the Anglo-Saxons, cruisers--71:10, destroyers--305:44, submarines--319:57, and aircraft (not including the Chinese theater of military operations)--19,300 as against 6,500. These ratios even convinced the commander of the U.S. Navy, Admiral King, and the presidential representative to the Joint Chiefs of Staff, Admiral Leahy of the possibility of "suffocating" Japan through sea and air blockades, while simultaneously destroying step by step the military industry on the Japanese island.

But the blockade variant of ending the war was rejected.

In order to correctly understand the logic of the thoughts of the American leaders and the final--right up to Japan's capitulation--course of events, it is necessary to keep this factor in mind: Japan itself was only one of the theaters of military actions in the Far East. On the Japanese islands even by the time of the capitulation the imperial army had 2.2 million soldiers and officers of all kinds. The overall number of personnel of the aggressor's armed forces reached more than 7 million, who were scattered over the immense expanses of the Asian-Pacific Ocean region--in Southeast Asia, China, Korea, Manchuria, the Kuril islands and the southern part of Sakhalin.

Special power was held by the Kwangtung army stationed in Manchuria (more than 700,000 people plus 150,000 marionette troops of Manchou-Ho), the groupings of troops located in Korea (255,000) and on the strongly reinforced Kuril islands, and in the southern part of Sakhalin (67,000). Japanese troops in Manchuria and Korea had a powerful industrial base, the likes of which practically no longer existed on the Japanese Islands.

Washington and London could not but take these horses into account: at least Manchuria and Korea, which were located in the direct proximity of the metropolis, all of the conditions being equal were transformed into a gigantic reservoir of reinforcements with which Tokyo could carry on battle for its own Japanese islands considerably longer than was envisioned by the plans of the American military command.

The Bomb Was Unnecessary

For Washington the solution was simple: it was impossible to cope with Japan's entire military machine with the forces of the United States and Britain alone. A relatively quick and victorious end to the war could be provided only with the entry of the Soviet Union into it.

There was only opinion regarding this in Washington and London. And in the spring of 1945 Roosevelt arrived at the Crimean conference with the file which held a "memo" prepared for him with a reminder from the military command: "We desperately need the Soviet Union for the war with Japan."

Unless the Soviet Union entered the fight with the last aggressor of World War II the battle could possibly go on for years, not only prolonging the agony of Japanese militarism, but also prolonging the sufferings of the nations that were languishing in the clutches of the "Great Japanese Empire" grinding in the merciless millstones of war hundreds and hundreds of thousands and millions of lives.

What relationship did this factor have to Washington's answer to the question of bombing Hiroshima, and after it Nagasaki as well? The most direct relationship: the agreement of the Soviet Union to enter on the side of the Allies to predetermine the outcome of the war in the Far East. And, consequently, it eliminated any justification for atomic bombing of Hiroshima and Nagasaki.

Then, however, Washington had to consider the possibility of Japan's capitulation not as a result of a prolonged sea and air blockade, but as a result of the victorious actions of the Soviet armed forces on the continent--in Manchuria and Korea. But this outcome, according to the American politicians, would be tantamount if not to defeat, at least to a loss of prestige for the West in the eyes of the "Asians." Consequently, they had to rely on defeating the Soviet Union in the race for capitulation which had been started by the United States. But in order to have any kind of a chance in this race (which had nothing to do with the Soviet Union whose only goal was to put an end to the war as quickly as possible and to liberate the people who had been enslaved by the Japanese empire) it was necessary to reject the blockade variant of victory and to make a decision to land invasion armies on the Japanese islands.

This decision was even easier since only then would Washington manage to demonstrate to the nations of the world the all-destructive power of the atomic weaponry that had been acquired by the United States. And Washington found this kind of demonstration to be simply necessary.

[4 Aug 85 p 5]

[Text] The Western Allies unwaveringly made efforts directed towards including the USSR in the war against Japan. The decisive significance of the Soviet Union for the outcome of World War II was recognized not only in Washington and London; people in Tokyo had no illusions regarding this.

In the middle of May 1945 the Japanese High Council for Leadership of the War came to a unanimous conclusion: "Under conditions in which Japan is devoting all of the might of the state to waging war with England and the United States, anything like participation of the Soviet Union in the war is a matter of life and death for the enterprise. Therefore it is necessary, regardless of how the war operations take form against England and the United States, to exert all efforts to oppose the entry of the Soviet Union into the war." In the opinion of Japanese strategists, this would make it possible not only to prolong the war for an extended period and bargain for advantageous peace conditions, but also to "retain Korea for Japan and try to provide for the existence of Manchou-Ho as an independent (more precisely, marionette--Yu. B.) state."

Thus in the final stage of World War II the strategic situation was determined by the following factors. First, the Japanese military machine, although it had been deprived of a considerable part of its potential, was still a powerful force which was capable of resisting the Anglo-American armed forces for a long period of time. Second, while they had unquestionable superiority over Japan on the sea and in the air, the Western allies still did not have sufficient forces for rapid defeat of the Japanese forces, with minimum human losses, in the theaters of military action on land. Third, Japanese militarism, taking these circumstances into account, was relying on prolonging the war, on concluding it with an "honorable peace" with the least possible losses for itself. Fourth, the question of the entry of the USSR into the war against the Far Eastern aggressor therefore became decisive for the outcome of the war. Fifth, the participation of the Soviet Union in the war against the Japanese colonizers predetermined Japan's defeat and made its capitulation inevitable.

But where did the atom bomb fit into all this?

In Secret From the Ally

So far it existed in the United States only in formulas and in blueprints. But outside the laboratories and plants there began to dawn the hope of using the new weapon not against Japan, but against the USSR. In order to achieve the goal which is most clearly expressed by Washington in our day--"to leave Marxism-Leninism in the ash heap of history."

Roosevelt was undoubtedly a sensible politician who dealt with the realities of the day. And he did not abuse rhetoric to the detriment of the national interests of the United States. At the same time one cannot but note that long before the end of the war Washington's actions gradually, unnoticeably were laying the basis for the growing arms race and the future tension in the world.

Indeed, how can one assess the fact that during all the years when the USSR and the United States were allies Washington did not consider it necessary even to inform Moscow about the work on manufacturing an atom bomb? If the United States took the German atomic threat seriously and had acted exclusively in order to acquire a counterbalance to Hitler's nuclear potential --would it not have been easier to reach this goal by combining the efforts of American and British physicists, on the one hand, and Soviet physicists, on the other? If Washington had not had intentions of utilizing nuclear weapons in the postwar world for political blackmail--should they have not stopped work on the "Manhattan Project" as soon as they found out that Germany had no atomic weapons and would have none?

There exists, to be sure, this version: the provision of arsenals of nuclear weapons was dictated by the growing danger during the war years of the atomic potential of the Soviet Union. The facts, however, convince us: in the high echelons of Washington power no one took seriously the idea of the "Soviet threat."

If such fears really did exist, even during the war years the United States could have raised the problem of establishing international control over atomic weapons. But the fact is that Washington discarded the idea of actual international control without even thinking about it.

Reliance on Superiority

As early as February 1944 the Danish physicist Niels Bohr, who consulted on the "Manhattan Project" conveyed to Roosevelt through his friend Frankfurter, a member of the U.S. Supreme Court, the warning: keeping secret from the USSR the work on creating an atom bomb could cause suspicion in the Soviet Union regarding Washington's real intentions and cause Moscow to begin its own research in its area. The physicist posed to Roosevelt the question of whether they would not be serving the common interests if Washington and London would conduct negotiations with Moscow as soon as possible concerning international control over atomic weapons?

Roosevelt refused to give a clear answer. At a meeting on 26 August 1944 with Bohr himself, to be sure, he agreed with the consultant that "we should establish contact with the USSR in order to undertake an attempt at actions in the directions suggested by the physicist." But immediately after that there followed the instructions to the U.S. special services: to investigate the activity of Professor Bohr and take steps to make sure that information would not leak through him, especially--to the Russians."

And less than a month later--on 19 September 1944--Roosevelt and Churchill agreed that they would not offer any information to anyone (that is, the Soviet Union) that would serve as a basis for an international agreement concerning control over nuclear weapons.

From the outset Washington rejected the idea of refraining from the use of atomic weapons. But not at all because of a fear of the "Russian threat." On

the banks of the Potomac they were convinced that there was no threat to the security of the United States on the part of the USSR.

Carrying out a government assignment to estimate the capabilities of the atomic industry in the USSR, experts asserted: "Although the Russians will be able to guess the atomic secrets in the next 2-3 years, they will not be able to create an atom bomb in less than 6-7 years." And the leader of the "Manhattan Project," General Groves, drew an even more favorable picture for Washington: "The appearance of nuclear weapons in the USSR is not possible sooner than 20 years from now."

Having weighed all the "pros" and "cons" available to the Washington strategists, the leadership of the United States came to the conclusion (after the Potsdam Conference, that is, immediately before the bombing of Hiroshima) which State Secretary Burns formulated in the following terms: "Nobody seemed too worried about that prospect (the appearance of nuclear weapons in the USSR --Yu. B.) since it seemed obvious that in 7 years we would be much ahead of the Soviet Union in this area."

In other words, even in the very last stage of the war reliance was placed not on averting the nuclear danger through prohibiting nuclear weapons, but on the nuclear arms race. Not for the sake of the race itself, of course, but for the achievement of unconditional military superiority over the USSR.

And therefore Washington not only did not make any attempts to prohibit nuclear arms or even place them under international control, but even systematically undermined all attempts of the Soviet Union to ward off the nuclear threat to mankind. Beginning with the "Draft of the International Convention Concerning Prohibition of the Production and Application of Weapons Based on the Utilization of Atomic Energy for Purposes of Mass Destruction" advanced by the Soviet government as early as June 1946, and ending... incidentally, the end of Washington's attempts to achieve superiority over the USSR and thus provide themselves with opportunities for military dictatorship cannot be seen even to this day.

The chase after the mirage of thermonuclear omnipotence still continues. And it began at that time, during the war years. Initially in order (as was explained to Truman, who had just come to the White House, by his close adviser J. Burns) "to obtain the possibility of dictating our conditions at the end of the war." And then also in order to rearrange the world in the American way.

Thus even in those years it was a matter precisely of establishing an American dictatorship and supporting it with atomic weapons.

As a partner at the round table of negotiations the Soviet Union during the war years unwaveringly and repeatedly demonstrated its ability and readiness to solve international problems in such a way that would satisfy the interests of all parties. On the basis of their equality and on principles of reciprocity. And by the end of the war many people in the United States recognized this feature in Soviet foreign policy.

Of course in the United States there were also many people who, like General Patton, the commander of one of the American armies in Europe, was convinced that "the Russians are an ignoble nation of Mongolian savages," each of whom is a "son of a bitch and a barbarian," who is ready to "enter into an agreement with Jews or anyone else as long as they can spread communism to Europe and America." In Europe there were also people who agreed with Churchill who, according to evidence from his private physician, even in August 1944, had a vision of the Red Army "swallowing up one country after another." But far from everyone suffered from this persecution complex.

"We Can Cooperate"

One can recall, for example, Brigadier General Palmer, who consulted with the U.S. high military command on questions of peace after the war. As early as the autumn of 1943 he asserted: "Joe Stalin is capable of becoming a true apostle of the future peace throughout the world." One can recall the conclusion drawn in January 1945 by the American Combined Committee on Intelligence: "The main goal of the foreign policy of the Soviets is to establish and maintain the security of the USSR." One can recall the conclusion formulated after the Crimean Conference in February 1945 by Roosevelt's closest associate, Hopkins: "The Russians have proved that they can be reasonable and farsighted and the president, like all the rest of us, had no doubt that we can live with them and cooperate in the world as far as any of us could see into the future." One can recall the conclusion of the commander in chief of the Allied expeditionary forces in Western Europe, Eisenhower, which he made as early as August 1945: "Nothing motivates the Russian policy more strongly than a desire for friendship with the United States."

Of course all these are particular points of view. And those who held them cannot be denied inconsistency: sometimes they said exactly the opposite. A fact, however, remains a fact: at that time there was no fatal inevitability of a confrontation between the USSR and its Western allies, just as there is none today. The conferences during the last months of the war--the Crimean and the Potsdam--which were possible for both the East and the West speak for themselves.

"A Big Club for These Chaps"

If in the West they soon began to cast doubt on the agreement that had been reached in these forums and to try to revise it, it was only for one reason: the United States could not resist the temptation of nuclear power. Such categories as "equality" and "identical security" turned out to be alien to the lexicon of American diplomacy. The thirst for omnipotence with the atom bomb which gripped the United States in the desert of inflexible anticommunism, for decades clouded the reason of residents of the White House (although not all of them to an equal degree). And the first victim of the mania for nuclear grandeur was Hiroshima.

Barely having admitted that the work on the "new type of weapon" was coming to completion, the newly installed U.S. President Truman exclaimed: "If it explodes, which I believe it will, then, of course, I will have a big club

with which to beat these chaps." "These chaps" were our grandfathers, fathers and brothers, they were you and I, readers.

At that time the big club was very thin. Even to manufacture the nine atomic bombs for Japan the American nuclear arms industry had to work for almost 2 years--1945 and 1946. And how many of them--and how many years to produce them--would have been necessary in order to acquire a full-weight, according to Washington's standards, "club to beat these chaps"?

But they were itching to get started, and the plans for restructuring the world in the American way had already been arranged. And if it was not yet possible to attack the Soviets or at least openly threaten them with an atomic attack, why not frighten "these chaps" by demonstrating to them using some example of what would happen if they did not start obeying? The more so since the blockade variant of ending the war against Japan was rejected and a course was taken toward preparing for invasion, which seemed to justify atomic bombs. And although this was not dictated by any considerations of a military nature, they decided to conduct the "demonstration" against "target No 1."

[15 Aug 85 p 5]

[Text] It was the early spring of 1945.... The remnants of Hitler's hordes were still desperately resisting in Europe; it was still unclear when Japan would capitulate. But those who were privy to the secret of the "Manhattan Project" already understood: the war could come to an end even without the use of atomic weapons. And some were even convinced that this was precisely the way it should end. Thus on one April day on the desk of the president of the United States lay a letter from Einstein with a memorandum from Schillard appended to it.

The same people who 6 years ago convinced Roosevelt to start work on atomic weapons now were demanding that their manufacture be halted.

Roosevelt never managed to see this document. The president died on 12 April. And his place in the White House was taken by Harry Truman.

The atomic club was turned over to him on 13 April. (Roosevelt did not regard his vice president very highly and kept him in complete ignorance about the "Manhattan Project.") Burns, who was soon to be U.S. secretary of state, solemnly announced to Truman: "We are completing the creation of an explosive device that is so powerful that it could destroy the entire world."

On 25 April in the White House Stimson and the leader of the "Manhattan Project," Groves, reminded Truman that "in the next 4 months the United States would receive the most terrible weapon that had ever been known in the history of mankind." "The entire world," predicted Stimson, "will ultimately end up in the power of this weapon."

The War Cry of Admiral Halsey

As Truman admitted later, from the very beginning he "regarded the bomb as a military weapon and never had any doubt that it should be used." Thus the

question of "whether or not to use the bomb" never existed for the president. The questions were simpler: when, how and under what conditions should the bombing take place?

On 1 June these questions were answered by an "intermediary committee" which was created especially for this purpose. The "constructive" part of the committee's recommendations amounted to three points. First, it was recognized as necessary "to use the bomb against Japan immediately, as soon as this became possible." Second, it was decided to drop the atom bombs on a "dual-purpose target," that is, some Japanese military object surrounded by residential buildings and other structures for civilian purposes. Third, and finally, the presidential advisers recognized it as necessary to drop the atomic bombs without notifying Japan ahead of time either about the nature of the new weapon or about the possible consequences of its use.

Thus they formulated in gentlemen's terms the slogan of the American army which had been proclaimed prior to this on the Solomon Islands by Admiral Halsey: "Kill the Japs. Kill the Japs. Kill more Japs! You will help destroy the yellow bastards if you do your job well."

This command drew no distinction between the militaristic armies and the civilian population. And therefore the champions of "democracy" doomed to death the residents of Hiroshima and after them those of Nagasaki.

Indeed, warning the peaceful residents of the forthcoming atomic bombing of Hiroshima could have saved many lives. But this variant was rejected. As was explained later by a special adviser to Secretary of War Feis, "At that time they thought that the atomic bombs would not force Japan to capitulate and this (preliminary notification--Yu. B.) could weaken the effect of the bombing. With no notification it would have been more terrible."

On 6 June Stimson announced the conclusions of the "intermediate committee" to the president. And Truman accepted them. The viewpoints of the group of physicists participating in the "Manhattan Project" known by the name "Frank Commission" did not change Washington's attitudes toward the plans for using the atomic bomb.

In a document prepared for the information of the White House on 15 June 1945 they wrote: the use of the atomic bomb "can cause a profound shock not only in Russia, but among our allies who are less suspecting of our methods of action and intentions...." They foresaw that the unexpected atomic bombing of Japan would cause in the world a "loss of confidence (in the United States--Yu. B.) and a wave of terror and revulsion."

The scientists demanded an immediate conclusion of an international agreement concerning effective control over atomic weapons since otherwise "a rapid start would be given to an unlimited arms race...."

But the voice of reason was not heeded. Washington placed its hopes in atomic power and went headlong after the desired hegemony. They proceeded with the intention of realizing the conviction expressed by Truman soon after he entered office as president: "The Russians will soon be put in their place

and then the United States will take over leadership of the development of the world along the path on which it should be led."

But until the "Russians" were put in their place it was impossible to conceive of ending the war against Japan without their participation. Later the U.S. president was to confirm: "There were many reasons why I went to Potsdam. But I considered the most urgent one to be to personally obtain from Stalin a confirmation that Russia would enter the war against Japan. The solution to this problem disturbed our military leaders more than anything."

The Decision Was Made

In Potsdam where the last conference of the Allies during the war years took place from 17 July through 2 August, Truman was to have decided the fate of Hiroshima. The need for a final decision was brought about by a coded announcement which came from the United States on 6 July concerning the testing of atomic devices in New Mexico: the operation was carried out this morning. The diagnosis is still incomplete but the results seem satisfactory and have already surpassed all expectations."

The news that came from the United States concerning the power of the atomic bomb which "surpassed all expectations" again placed on the agenda the question of what to do with this power. At Truman's conference on 22 July with the Joint Chiefs of Staff the various branches of the armed forces had different opinions.

Unable to determine which of his military leaders was right, Truman called for assistance from Churchill. The latter was decisive: the bomb should be dropped on Japan and the sooner the better ("The more since we no longer need the Russians. There is no need to ask a favor from them," added the prime minister). And Truman finally decided: the atomic bomb was to be dropped! But when?

To this inquiry in the evening of 23 July a reply came from Washington: the bombing could be carried out soon after 1 August; possibly on 4-5 August, and probably no later than 10 August. Encouraged by Churchill, the president of the United States went to the chief of staff of the American army, Marshall, with the question: "Do we need the Russians now?"

The attitude of the military leadership of the Western Allies was clarified in a document submitted by the chiefs of staff of the United States and England to Truman and Churchill on 24 July. The conclusion was simple: the main goal of the armies of the United States and Great Britain was still to invade the Japanese islands themselves and therefore the entry of the USSR into the war against Japan was unnecessary as it was before. Even in this stage, knowing about the practical existence of atomic bombs and about their destructive force, the military leaders of both countries asserted that the war with Japan could not be ended any sooner than the end of the next year.

The conclusions of the military leaders did not corroborate the optimism of Truman and Churchill. But they were backed up with calculations and the

president and the prime minister were forced to approve the proposals of their military chiefs.

On that same day another document came from Washington to Potsdam: a directive signed by the acting chief of staff of the American army, General Handy, in which the 509th Consolidated Air Regiment of the 20th Air Force of the United States was ordered "to deliver the first special bomb on approximately 3 August, as soon as weather conditions allow a visual bombing, to one of the following targets: Hiroshima, Kokura, Niigata and Nagasaki." The directive was approved. Truman wrote in his memoirs: "With this order we put into motion the wheels of the first application of an atomic weapon against a military target. I made the decision."

The day of 24 July was marked by another event: in a meeting with Stalin the president of the United States (as had been decided between him and Churchill) as though by chance announced that the United States had created a new weapon of "unusual destructive force." Thus for the first time Washington and London tried to insure themselves against accusations of being dishonest to their ally--the Soviet Union. The attempt had to be made: only a few days were left before Hiroshima and the entire world was soon to learn of the explosion. But Truman said nothing to Stalin about plans to use this weapon.

Nor was a word said about the preparations for the atomic bombing in the Potsdam declaration which was published on 26 July and laid out the conditions under which the Allies were prepared to accept Japan's capitulation.

The text of it became known in Tokyo early in the morning on 27 July. Had Japan accepted the conditions of the capitulation Truman would have been deprived of a pretext for the bombing. But since the Soviet Union continued to stay out of the war, the Japanese prime minister Suzuki announced: "The government did not see anything of special value in the declaration and there was nothing left to do except ignore it completely and wage a resolute battle until the war came to a successful end."

The refusal to capitulate played into the hands of Washington: it was as though it justified ahead of time in the eyes of the world community the forthcoming atomic bombs. Actually Washington and London had brought things to this outcome by setting conditions for capitulation which they knew Japan would reject and deliberately concealing the preparations for the atomic bombing. Truman and Churchill did everything necessary to make sure that Hiroshima would be destroyed.

Incidentally, the fact that it would be precisely Hiroshima did not become clear until daybreak on 6 August when the crew of the American "Superfortress" with the 5-ton atomic bomb on board received the announcement: among all the target cities singled out for destruction the most favorable weather conditions were found over Hiroshima and at 8 hours, 14 minutes, 15 seconds in the morning the atomic "Little Boy" dropped from the bomb hatch.

At that moment in the city toward which the bomb was headed there were 506,000 people. How many of them were alive 47 seconds later? There is no precise answer to this question.

It is known however that the two atomic bombs unleashed by Washington on Japan within a couple of moments destroyed no fewer than 350,000 people--more than the United States had lost during all the years of the war at all battlefronts (294,000).

The Crime Continues

Of course it is not a matter of quantitative ratios. The soldiers, sailors and officers of the United States died in a war which was fought--they thought --for the right cause, against Hitlerism and against Japanese militarism. In Hiroshima and Nagasaki there had already been mass killing, mainly of the civilian population: women, children, old people and workers.

The killing was carefully planned, cold-blooded and cruel. And pointless. Not a single one of the goals pursued by Washington when it decided to make the first nuclear attack of the 20th century was achieved. Not then, in 1945, nor to this day.

These goals were discussed 40 years ago on board the cruiser Augusta which took the American delegation headed by the president from the lifeless, shattered Europe to the United States. According to the witness of one of the members of the delegation, Bolen, the passengers of the cruiser "spoke about the atomic bomb and the fact that we could use the feeling of security and force it would give us in our relations with the Soviet Union. We came to the conclusion that the Soviet Union would react to nothing other than measures which would represent a threat to the Soviet country or the Soviet system. We considered the steps we could take, beginning with a direct ultimatum right down to various degrees of pressure...."

And in November 1945 the U.S. Central Intelligence Agency suggested dropping the atomic bomb on 20 cities with a population of 13 million. They were speaking about the Soviet Union--the state which at that time had no nuclear weapons and, according to estimates of American experts, could not create them until the distant future.

These recommendations were not followed. Initially because they did not think that there were enough bombs (by the end of 1948 they had managed to prepare "only" 50), and later because the atomic monopoly had been lost and it was necessary to push armament to the point where they could dream of unquestionable superiority over the USSR....

These goals are still the same. For the sake of achieving them Washington does not wish to follow the example of the USSR and refuse to be the first to use nuclear weapons. For the sake of these goals the United States is increasing its arsenals of thermonuclear weapons and preparing "star wars." For the sake of achieving them they do not wish to follow the example of the Soviet Union and on the day of the 40th anniversary of the bombing of

Hiroshima introduce a moratorium on any nuclear explosions.... The goals, consequently, remain the same. And this means that the crime can also be repeated. But now it will be on a planetwide scale. Perhaps, if it is not prevented.

11772

CSO: 1807/469

UNITED STATES AND CANADA

U.S. 'STATE TERRORISM' CONTRADICTS UN GOAL

Moscow IZVESTIYA in Russian 25 Oct 85 p 5

[Article by Stanislav Kondrashov, under "Political Observer's Opinion" rubric: "Power Cult Against Anniversary Background"]

[Text] Let us briefly discuss two anniversaries two dates in current international history. They are not equivalent, but are interrelated to one another as general to specific, and more exactly--as a striking contradiction between solemn obligation and practical activity. On 24 October 1945 the Charter of the United Nations Organization became effective, which celebrated a great attempt to establish the supremacy of law not power, of equality not subordination, and of peace not war in international affairs. On 25 October 1983 the United States of America, one of the founding members of the United Nations undertook an unprovoked armed invasion in a tiny state located on the tiny Caribbean island of Grenada, seized it and changed the existing order there into one suitable to Washington.

The anniversary of the United Nations is being solemnly observed throughout the world and, of course, in the headquarters of the world-wide organization located in New York on the banks of the short, but deep, East River. Among the registered speakers is the American President who gave the Grenada invasion order. His address has been widely publicized beforehand. We have not yet been able to look through the text, but with no particular risk of error one can suggest that it will be a "peacemaking" speech: that is the only type of speech delivered from the rostrum of the organization created at the end of one horrible war to deliver succeeding generations from the misery of other wars. It is quite possible that Grenada will not be mentioned at all in this speech. There is no need for a state with a population of somewhat more than 100,000 to be included in a review of international affairs delivered by the head of a great power whose armed forces exceed the total number of all Grenadians by more than 20 times.

However, principles do not yield to numerical and dimensional calculations. The principle set forth as the foundation of the UN Charter is strikingly dissimilar to the principle being proclaimed and implemented in the Reagan administration's foreign policy because Washington is giving priority to force, not law.

In 1974 the UN General Assembly defined aggression as the "use of armed force by a state against the sovereignty, territorial inviolability or political independence of another state." The United States carried out such aggression against Grenada, and it is worth mentioning at this time when the two anniversaries coincide. "No individual state or group of states has the right to interfere directly or indirectly, no matter the reason, in the internal and external affairs of another state," says the Declaration on the principles of international law adopted in 1970 by the UN General Assembly. The United States violated these principles early on the morning of 25 October 1983 when it sent its ships and marines and combat aircraft against Grenada.

The pretense for the invasion was, naturally, the defense of the lives of American students on Grenada. However, no one threatened them. Congressman Richard Dellums, who arrived on Grenada shortly after its occupation by American soldiers, testified that not a single case was shown "where an American was threatened before the beginning of the invasion." Now, one prefers not to mention the pretense.

As for the reason, it has always been: a policy from the position of unbrazen strength. The Reagan administration has idolized this policy from the time it came to power. On Grenada it showed itself. Yes, Grenada was selected as a distinctive, demonstrated platform. Another platform in the Central American region is Nicaragua. It is not difficult to surmise that Nicaragua would have suffered the fate of Grenada long ago if the Pentagon's military drive in its territory did not threaten American military casualties, and as a result, the indignation of the American public. Therefore, Washington, saving its 'cannon fodder', pinned its hopes on the mercenary "contras", furnishing them with weapons, dollars and instructors. Unprecedented military pressure and overt subversive activity against the revolutionary regime in Nicaragua prove that the policy of strength concept includes the denial of the right of other peoples to have power and order according to their choosing.

Among the suppliers of quotations in Washington today, President Theodore Roosevelt, theoretician and practitioner of the "big stick" of the early 20th century, is highly esteemed. One quotes, in particular, such of his utterances as: "The voice of the weak means nothing when its calls for peace, but if a man arms himself, his voice resounds powerfully." These ideas are not found in the UN Charter, but American leaders also do not seek direction in it in any case during the routine, non-anniversary days. Is it necessary to add, that with a mighty voice of strength they are calling, not so much for peace as, for American supremacy and superiority?

If one considers the global correlation of forces, and particularly the area of American-Soviet relations, then there are the praises to strength proclaimed in 1981 in a long-term program of a gigantic buildup of U.S. nuclear weapons, and starting in March 1983 with the so-called "strategic defense initiative" envisioning the creation of space strike weapons for the achievement of military superiority over the Soviet Union. And if one considers the regional directions of Washington's policy, then Grenada and Nicaragua are in no way the only demonstrated platforms. Finally, one comes to the trail of Vietnam, the Dominican Republic, Guatemala and Chile...

Just 2 weeks ago American military aircraft intercepted an Egyptian civilian aircraft in international airspace and forced it to land at a NATO base in Sicily. The action was undertaken on the personal orders of the President of the United States. The pretense was the pursuit of terrorists who had seized an Italian cruise ship and killed an American passenger on board. Egyptian President Mubarak, not without observing the violent demonstrations by young Egyptians near the American Embassy in Cairo, demanded an apology from Washington. "Never", answered President Reagan. This "never" demonstrated that the American government reserves the right to infringe upon the sovereignty of its closest Arab "friends". The right of power, which together with \$2 billion in annual aid, offers Egypt, more or less, a doctrine of infringed sovereignty.

Generally, in recent years the entire Mediterranean region, far from the American coasts, has also become a demonstrated platform for American military strength. This could be proven many times over by Lebanon, off whose coast the battleship New Jersey unloaded her large caliber guns. Quite recently, in the tracks of Mubarak, Italian Prime Minister Craxi became personally acquainted with how its old partner operates in an explosion of imperial feelings when it forcefully tried to take the Palestinian terrorists away from Italian soldiers on Italian soil to have its own jurisdiction over them. Finally, there is yet another Mediterranean country, Tunisia, which was subjected to Israeli bombing 3 weeks ago and immediately saw the transoceanic Israelite patron: the United States turned out to be the only country which supported the action of Tel Aviv as "legitimate self-defense".

The cases of terrorist actions, as is known, have become more frequent recently, and American officials identifying the culprits always point to the Palestinians. There is no justification for terror, the victims of which are innocent people, but it is impossible to forget the original causes of its current manifestation. The Israeli seizure of Palestinian land, the denial of their right to their native land and of their national and human dignity--terrorism by individuals and separate organizations is growing in this soil of state-sponsored terrorism. However, this soil nurtures the close alliance of Israel and the United States, and the American cult of power itself especially characteristic of recent years.

Before concluding these paragraphs one should return to reason why we began, the 40th anniversary of the United Nations, and it is worth noting that at this world forum, the rest of its 150 members more often than not oppose Washington and its policy.

13110
CSO 1807/093

WESTERN EUROPE

U. S. PRESSURE ON AUSTRIAN NEUTRALITY HIT

Austria Plays Active Role

Moscow SELSKAYA ZHIZN in Russian 25 Oct 85 p 3

[Article by M. Kochetkov: "On the Path of Neutrality"]

[Text] On 26 October 1955 Austria's parliament adopted a special constitutional law on the country's permanent neutrality. Austria pledged never to join any military alliances. Since that time, this day has been commemorated as the country's national holiday.

In the past 30 years the Austrian Republic's international prestige has increased substantially. Its capital Vienna has played a significant role in international affairs. This is due in part to the geographical position of the country, which is located in the center of Europe. It is located, as it were, on one of the continent's busiest crossroads, where paths between East and West, North and South, intersect--not just geographical paths, but political paths as well. But even more significant is the active neutrality policy that the country's leaders have followed in the international arena. Austrian political figures believe that being neutral does not mean sitting with folded hands and watching the international situation as a detached observer. Neutrality, in their view, implies active efforts in the name of strengthening peace and security.

However, not everyone likes the path that the Alpine republic has chosen. On the part of the West, repeated efforts have been made in the past and are continuing to be made to somehow divert Austria from her course and draw her into the nasty schemes that Washington hatches with regard to the socialist countries. But all these efforts have failed, since the country's postwar system and her neutrality policy are fully in keeping with the national interests. Granted, one cannot say that there is no one in Austria who would not like to change the country's course. From time to time those who dwell forever in the past and all sorts of "new rightists" with obvious brown-shirt colorings attempt to rear their heads in the country. But these groups and unions find no support among the public and encounter a determined rebuff from democratic public opinion.

No matter what "chillings" occur in the international arena, Austria remains faithful to its now-traditional policy. This is precisely the course that has brought the country its deserved prestige. Austria, as is known, made a significant contribution to the preparation of the All-European Conference and the holding of the Madrid meeting. Its capital has been the site of many international forums and meetings. It houses the headquarters of a number of major international organizations such as IAEA, UNIDO and OPEC.

The fruits borne by the neutrality policy are not just political. Austria's economic relations are successfully developing. A typical example is its multifaceted trade with the Soviet Union. Hundreds of firms and foreign-trade organizations take part in Soviet-Austrian cooperation. Our country confidently holds third place in terms of the volume of goods delivered to Austria.

In the course of the 17th session of the Mixed Soviet-Austrian Commission on Economic and Scientific-Technical Cooperation that was held in Moscow in early October, consideration was given to questions of setting up such new forms of economic ties as cooperation based on payment in output for assistance in the construction of production facilities, cooperative production arrangements, and joint activities in the markets of third countries.

The years that have passed persuasively attest to the viability of the path on which the country embarked 30 years ago by making its choice for detente and constructive business cooperation.

'Factor of Stability, Peace'

Moscow IZVESTIYA in Russian 25 Oct 85 p 4

[Article by IZVESTIYA correspondent N. Novikov, under the rubric "Letter from Vienna": "True Compass"; followed by brief TASS note]

[Text] Thirty years has passed since Austria's parliament adopted the law on permanent neutrality. The date of 26 October has become the Austrian Republic's national holiday. This year the Austrian people widely commemorated several signal dates that have become special dates in its history: the 40th anniversary of the country's liberation from fascism, the 30th anniversary of the State Treaty on the Restoration of Independent and Democratic Austria and, finally, the 30th anniversary of the adoption of the law on the republic's permanent neutrality.

"We all know," said the Austrian Republic's President R. Kirchschlager, "that the question of observing the State Treaty is a question of tremendous political importance, which, along with our political neutrality, to an even greater extent determines Austria's position in Central Europe, as well as its security." Permanent neutrality--the principle on which Austria's foreign policy is based--has brought it deserved prestige among other countries. In the '70s Vienna gave its support to the detente process, and it has maintained its fidelity to this course until the present time, despite the sharp exacerbation of the international situation, and despite pressure from advocates of the cold war both within the country and beyond its borders.

Lately pressure on the Austrian Republic from Washington has increased. People overseas would like to nudge Vienna toward a closer relationship with the West and a gradual abandonment of its neutrality policy. The forms of pressure are the most diverse. For example, Austria is accused of transferring American technology to the socialist countries. The aim of such accusations is to incline it toward the export restrictions that the U.S. has already imposed on the NATO countries, and thereby to hinder Austria's fruitful economic cooperation with the socialist countries.

It is known that the U.S. has made persistent attempts to sell the Austrian Republic F-5 fighter-interceptors and thereby "shake" Austrian permanent neutrality. However, the Vienna government decided to acquire 25 supersonic Saab-Draken fighter-interceptors from Sweden, although the country's progressive forces waged an active campaign against that step, arguing its military and financial senselessness.

It was long thought that Austria was a kind of island of relative well-being in the capitalist world with its chronic ailments and shocks in the economic realm. Even now, it seems on the surface that little has changed on Karntner Strasse, the Graben, Mariahilfer Strasse and the Ring. Everywhere one sees the mirror-like shine of shop windows, the iridescent glow of garish advertisements beckoning customers, and an endless flow of automobiles of various makes. But this is surface glitter.

Of course, large revenues from tourism, relatively low appropriations for military needs, and efforts to maintain the competitiveness of Austrian products on the external market, together with social maneuvering, have permitted the Austrian government to divert from Austria, to a certain extent, the financial and economic shocks that have been buffeting the capitalist world. But the further they operate, the weaker the performance of the shock absorbers that soften the blows of general capitalist competition.

The prices of foodstuffs and industrial goods, rents and taxes have been rising steadily. School teachers recently went on strike demanding an improvement in living conditions. More than 30,000 teachers took part in the strike. The number of unemployed--more than 150,000--is fairly high for Austria. The vast majority of them are women and young people. As the Austrian press notes, if one adds so-called "seasonally unemployed" to this number, the number of Austrians who have been deprived of the right to work reaches 250,000. This is a sizeable number for a relatively small country.

It is extremely important to note that economic blows are felt less strongly in Austria than in many other capitalist countries. The secret of this is that, in following a policy of permanent neutrality, the Austrian Republic strengthens its all-round ties with many states, regardless of their social systems, including the Soviet Union and the other socialist countries. Austria sees this as the guarantee of its well-being.

Fruitful experience has been accumulated in Soviet-Austrian relations, which have been developing from year to year, in the areas of economics, science, technology and culture. According to Austrian figures, exports to the USSR

rose from 6.2 billion schillings in 1980 to 14 billion in 1984, and imports from the Soviet Union also rose substantially. The Austrian-Soviet Society is active in helping to strengthen friendship and cooperation between our peoples.

The great importance of Austria's neutrality as a factor of stability and peace is especially obvious now, in a period of exacerbation of the international situation. The Austrian Republic's neutral course helps strengthen mutual understanding and trust in Europe in the spirit of the Helsinki accords. Vienna, which contributed a great deal toward the success of the All-European Conference in Helsinki, contributed in every way possible and has continued to contribute to subsequent international meetings and conferences, including the Stockholm Conference on Measures for Strengthening Confidence, Security and Disarmament in Europe.

The course of Austria, which follows a policy of permanent neutrality, is a vivid demonstration of what a significant contribution a relatively small state can make to the cause of detente and the establishment of relations of good-neighborliness and cooperation with all states, regardless of their social systems.

TASS--On 24 October in Moscow a public meeting was held to mark Austria's national holiday--the 30th anniversary of the proclamation of permanent neutrality. I. D. Laptev, editor-in-chief of the newspaper IZVESTIYA and chairman of the Central Board of the Soviet-Austrian Friendship Society, and H. Liedermann, Austria's ambassador to the USSR, spoke at the meeting.

8756

CSO: 1807/080

WESTERN EUROPE

USSR-FRANCE: ECONOMIC, TECHNOLOGICAL COOPERATION PRAISED

Moscow EKONOMICHESKAYA GAZETA in Russian No 40, Oct 85 p 21

[Article by V. Rakhmanin, Chief of the Protocol Service Administration of the USSR MVT/Ministry of Foreign Trade/; "USSR-France: In Their Mutual Interests"]

[Text] The fortieth anniversary of the United Nations and the tenth anniversary of the Helsinki Conference on European Security and Cooperation, which were celebrated in 1985, were marked by a number of new important USSR initiatives directed at strengthening the basis for the peaceful co-existence of states irrespective of their social systems.

The Soviet Union, as it was noted at the April (1985) CPSU Central Committee plenum, favors fruitful and thorough economic and scientific-technical cooperation built on the principles of mutual benefit and excluding any discrimination; it is prepared to further broaden and deepen trade relations, develop new forms of economic ties based on the mutual interests of the parties in the joint introduction of scientific-technical and technological innovations, the design and construction of enterprises, and the development of raw materials.

Mutually-beneficial economic and scientific-technical relations between the Soviet Union and France, which is one of the most important partners of the USSR among western countries, are contributing appreciably to the development of fruitful and thorough cooperation on the European continent.

Growth is a characteristic of Soviet-French business ties. Thus, while the USSR goods turnover with France was about 9.2 billion rubles for the five-year period 1975-1979, it reached almost 20 billion rubles for the next five-year period, including 1984.

"It seems to us that our relations are turning out quite well on the whole," noted M. S. Gorbachev in a speech on French television. "Trade volume has increased four-fold in ten years. We are satisfied with this and I believe it has also been to France's benefit. However, economic ties could be more energetic and multi-faceted. This is what we think. The same thing applies to scientific and technical cooperation, an impressive symbol of which was the joint flight of Soviet and French cosmonauts."

One of the provisions in the final written document of the All-European Conference on Security and Cooperation stipulates that the member states are obliged to take measures aimed at improving conditions for the activities of representations of foreign organizations, firms and banks involved in foreign trade. Up to the present time, in accordance with Minvneshtorg/Ministry of Foreign Trade⁷ policy, 144 representations of 165 concerns and firms of Italy, Finland, France, Sweden, and other West European countries as well as the United States, Japan, Australia, and New Zealand have been opened. Representations of Italian-Soviet, Finnish-Soviet, and French-Soviet chambers of commerce and an American-Soviet trade and economic council have been opened. They are actively promoting the establishment of business contacts between firms from their own countries and Soviet foreign trade and other organizations.

French business circles occupy a large place among the delegations accredited to us. Representatives of 30 French firms, banks, and other business organizations are now working in Moscow. Delegations of 14 French firms including such ones as ETPM, Creusot-Loire, Interagra, Litwin, Reno, Sifa (Sifal), Soga, Sorice, Speichim, Technip, Thomson CSF, Magra-France as well as a delegation of the French-Soviet Chamber of Commerce, which particularly helps to set up business contacts in the USSR for small and medium-sized French firms, are accredited to the MVT. In all, about 1,500 French firms now have mutually-beneficial business contacts with Soviet partners.

All of the French firms accredited in the USSR are well-known on the world market and have absolutely proven themselves as partners of Soviet foreign trade associations. Important contracts have been concluded with them and are being carried out to supply the Soviet Union with modern, in technical terms, machinery and equipment and other goods which are of interest to our national economy. On the other hand, these firms, including through their representations in Moscow, are helping Soviet foreign trade associations to develop their exports, including the supply of technical machinery.

The Soviet economy, free of the crises and shocks which periodically befall the capitalist economy, is becoming more and more a stabilizing factor in the general system of the international division of labor. According to the estimates of French economists, for example, the fulfillment of Soviet orders by French firms not only permits them to maintain and develop their own production even under poor domestic market conditions but also provides continuous work for about 300,000 Frenchmen.

The participation of French firms in the important "gas--pipes" agreement was a serious test of the "strength" of the business ties with these firms. As is well known, the crude attempt launched by the Reagan administration to hinder the development of all-European cooperation by placing an embargo on the delivery of some kinds of equipment for the Urengoy-Uzhgorod gas pipeline was decisively condemned in a majority of the Western countries, including France. The French firms fulfilled their obligations to their Soviet partners, demonstrating the ability of business people to place the long-term interests of peaceful cooperation above the unpredictable zigzags of the political situation. This creates a good atmosphere for the further broadening of mutually-beneficial business ties, a particular example of which can be the relations with the firms Technip and Speichim.

Business ties were established with the company Technip in 1968. Since that time it has carried out several large Soviet orders including the delivery of chemical equipment for the Orenburg Gas and Oil Refining Plant, equipment for the gas-lift extraction of oil at the West Siberian deposits, and petrochemical complexes for the production of basic products for synthetic fibers. The firm is completing the delivery of equipment for the purification and treatment of high-sulphur natural gas at the rate of six billion cubic meters per year at the Astrakhan gas condensate deposit (first section). In the spring of this year a large contract was signed in Moscow by which Technip will install similar equipment in the USSR for a second section of this gas condensate complex. In turn, this French firm is buying a number of goods which it needs in our country, including chemical products from enterprises where the equipment supplied by the firm is used.

More than 30 contracts have been concluded with the Speichim firm. In accordance with them, equipment is being supplied to the USSR for the output of methionine which is used in the production of mixed feeds, plants for the production of higher fatty alcohols, and the highly effective insecticide Fozolon which is widely used in agriculture. The firm buys phosphates from its Soviet partners.

A good example of the extent of interaction between the business partners of both countries are the contracts of the all-union foreign trade association Sudoinport with the firms ETPM and UIE for the delivery to our country of equipment for two plants in Astrakhan and Baku for the manufacture of stationary platforms to extract petroleum and gas in sea and ocean shelves. Important agreements have also been signed with the firms Litwin and Olivier. A number of large contracts for the delivery of agricultural products to the USSR have been concluded with the cooperative association Interagra which is involved in the processing and sale of agricultural products.

In turn, the French companies, which have representations in Moscow, also buy, in addition to raw materials, various types of Soviet equipment including machine tools, electric motors, pumps, and other equipment. About 5,000 Soviet machine tools and pressing machines, 20,000 tractors, and a large number of textile machines have been supplied to France up to the present time. About 80,000 passenger cars have been delivered during the past three years.

However, today's level of USSR equipment purchases by France does not correspond to available possibilities. It is no secret that artificial restrictions erected by certain circles in the West in the path of business relations with the Soviet Union and other countries of socialism are hindering the further growth of these purchases. The French firms accredited to Moscow could also be more outspoken in an effort to surmount these discriminatory obstacles. It would be just as logical to expect the managers of these firms to constantly give a high assessment of the trade and economic relations with their Soviet partners.

In discussions with Soviet partners, French business circles express confidence that the present visit of comrade M. S. Gorbachev to France will open new vistas for interaction in all spheres of the economy which will benefit both countries.

The possibilities for developing mutually-beneficial business relations between the USSR and France are far from exhausted. If the partners sincerely strive for further continuation of the trade and economic dialogue, they can make an even greater contribution to the development of Soviet-French cooperation

8524
CSO: 1825/6

WESTERN EUROPE

TECHNOLOGICAL EXCHANGE WITH FRG FIRMS

Moscow PRAVDA in Russian 16 Sep 85 p 6

[Article by Yu. Yakhontov, Essen-Bonn: "Routine of One Firm: East-West dialogue, Trade, Ties"]

[Text] "Our mining specialists believe the "Ak-3" to be a clever and productive machine. Completely automated, it is capable of operating under very difficult conditions involving sloping and curving layers of coal. In our opinion, this combine is the leader of a completely new technological wave which is opening up great prospects for the coal industry. We have already tested an "AK-3" prototype at a mine, having first adjusted it for our conditions, and subsequently we turned it over for production."

The above brief and clear description was furnished by Gregor Shpendel, one of the leaders of the machine building firm Maschinenfabrik Khemshaydt AG, located in the West German city of Wuppertal. He thus described the results of a transaction concluded by his firm with the Soviet Litsenzintorg Foreign Trade Association. Khemshaydt purchased the technology and the license for the right to produce the new "AK-3" coal combine, which in terms of its parameters is still unsurpassed in international machine building.

It is difficult to say whether this transaction would have taken place were it not for Tekhnounion -- a West German firm and the general representative for Litsenzintorg in the FRG. Indeed, before such a contract can be concluded it is necessary first of all to orient oneself to the market in terms of demand and supply. And this involves not only the purchasing and selling of machines and traditional equipment. These matters can be handled rather simply. Somewhat more complicated is the sale of licenses and new technology or "know how," in other words production experience, even if these items of trade exchange give promise of considerable gain. Tekhnounion is occupied with all of these commercial concerns -- and their list is truly large -- and also searching for new subjects and ideas which could become objects for transactions and cooperation between the two countries.

Created several years ago in Essen, this firm has been properly registered. Its principal capital belongs equally to two owners -- the West German firm Ferroshtal AG and Litsenzintorg. Ferroshtal and Litsenzintorg handed down their decision concerning the creation of Tekhnounion based upon the principle: in order to sell more to the Soviet Union, more must accordingly be purchased from it.

Within a brief period of time, the Tekhnounion Firm, which is headed by General Director I. Malyshev and Director U. Felker, became quite well known in West German industrial trade circles. It is quite properly referred to in its prospectus as a "society engaged in handling problems concerned with technical progress, licenses and equipment. It is the only institution of its type in the FRG and in view of the fact that, as mentioned above, it is the general representative of Litsenzintorg, Tekhnounion knows well the Soviet technological and scientific potential and thus is engaged in transmitting "know how" in both directions.

The following figures clearly underscore the successes achieved by the firm: in 1984, the turnover of Tekhnounion reached 80 million marks, whereas in 1981 it amounted to only 43 million. Moreover, since the firm was first created the export volume for Soviet licenses for the West German market has increased by a factor of five.

In citing this data, the West German leader of Tekhnounion, Udo Felker, mentioned a number of successful transactions concluded during mediation and with the direct participation of Tekhnounion. Some of them are even in the same branch -- metallurgy.

The technology for the dry slaking of coke. Up until now, the coke used in metallurgical processes has been slaked using water in the FRG. This resulted in losses in energy and in environmental contamination. The Tissenendzhiniring Firm purchased a license for new technology in the USSR. At Duysburg, a unit was installed in an August-Tissen blast furnace in accordance with our plan. It is already in operation at the present time.

The Krupp Firm purchased a license for torch guniting or, in other words, for repairing the internal lining of converters.

"Our country" commented Udo Felker, "is very strong in metallurgy and especially in "know how" developments. Yes and it can generally be said that a false opinion still persists in the West concerning the level of Soviet technical thought. There are those who believe that the USSR is only now receiving "know how" but these people are unaware that the reverse process is quite extensive."

And although Tekhnounion attaches great importance to the sale of licenses, technologies and ideas, the firm still wishes to promote one particular type of collaboration between the USSR and the FRG -- cooperation. Some work has already been completed in this area while other work is being carried out at the present time. For example, using a Soviet license the MAN and Kanis firms are producing components for gas turbines and compressors. Other component parts for units are being produced in the USSR. The possibility is not excluded that subsequently, based upon Soviet developments, turbines will be built entirely in the FRG, which will operate not only on the basis of gas lines laid out across the territory of the Soviet Union but also in third countries.

Udo Felker considers a fine example of cooperation to be the creation of machines for the production of concrete works -- pumps and mixers. The Shtetter Firm, which is located in the city of Mayningen, is building the hydraulic unit. Soviet enterprises are supplying the metal structures. As a

result, the units created through the efforts of both countries are not only being used extensively in the USSR and the FRG, but they are also being sold in the foreign markets.

The agreement with the well known Soviet firm Zaltsgitter is of interest. It purchased a license for a method for producing formic acid and for producing the units required for manufacturing it. In conformity with the contract, Zaltsgitter will produce the same unit for the Soviet Union. Thus the idea which was born in our country returns home in a materialized form.

"Do not think that we sell licenses almost every day. It does not happen quite that often and, in addition, it requires a considerable amount of at times very prolonged preparation" continued Udo Felker, "When recommending 'know how,' we must compute accurately the savings in resources, materials and energy that the recommended technology will furnish. Indeed, the more complicated the market conditions -- and they are not very simple at the present time -- the more difficult it will be to sell this technology. Thus the firms are awaiting convincing proof from us that a particular means, method or unit which we recommend for their use is better than any other."

The sphere of activity for Tekhnounion is expanding all the time and life itself is expanding it. The products of the pharmaceutical industry and even individual branches of medicine are already becoming objects for work by firms.

Tekhnounion serves to convince one concerning the high value being assigned here to the technical and scientific achievements of the USSR. Once the FRG firms purchase Soviet developments, they commence operating at a higher level than other West German firms. Or they may remain at the same level, but retain additional advantages not associated with local developments.

"You have a tremendous scientific-technical potential," stated the director, repeating his own thought.

It turns out that Tekhnounion has many fine plans. Its workers strive to realize advantages precisely in those areas where others never dream such advantages exist. For example, the firm is convinced that reproductions of pictures in renowned Soviet museums would not remain for very long on the shelves of West German stores.

Certainly, the leaders of the firm believe that profit is always important. But it is wrong to think only in terms of stocks and bonds. Here they are convinced that there exists a profit of another type. Thus, in the case of Tekhnounion, a transaction mainly justifies itself when it leaves its trace in the area of collaboration and mutual understanding between our two countries.

7026

CSO: 1825/002

WESTERN EUROPE

ACTIVE ITALIAN-SOVIET RELATIONS PROMOTED

Moscow TRUD in Russian 8 Sep 85 p 3

[Article by P. Negoitsa: "What Are the Italians Concerned About? -- After Summer Vacations the Inhabitants of the Apennines Are Encountering New Problems and Old Ones"]

[Text] The period of August vacations, when factories, plants, and offices in the Apennines were closed, has ended. Rome had a respite from the endless streams of vehicles and the city-dwellers -- those who were able to save up the money over the year -- changed the rush of the city for the hubbub of resort beaches. The few weeks under the hot Italian sun flew by like a minute, and people are again submerging themselves in the sea of everyday concerns and alarms. And we must observe that there are plenty of them.

The Italian lira was recently devalued. Of course, the authorities gave their assurance that this operation would not affect the vital interests of millions of Italians. But is this true? The influential Milano paper CORRIERE DELLA SERA wrote on this subject that the devaluation of the lira is only beneficial to exporters, but it will be necessary to pay more for the petroleum, iron ore, and building materials that the country needs. And this will inevitably lead to higher prices for gasoline and transportation services, which will later cause a chain reaction that raises the prices for many necessities.

Nonetheless, the Italian Government gives a positive assessment of its economic line, although it does not conceal the difficulties facing the country.

"The most obvious threat to the Italian economy is inflation," stated A. Forlani, a Christian Democrat and deputy chairman of the Italian Council of Ministers, in an interview with a TRUD correspondent. "In two years our present five-party government has been able to reduce the inflation level from 16 to 9 percent. But we have to make further efforts to get the country to the average level for the Western European community. Measures to restrain and diminish the causes of inflation are essential to preserve and increase the ability of our production to compete."

Indeed, they have been able to cut inflation. But it is proper to ask: at whose expense? The facts indicate that so far bringing the country out of inflation has cost dearly only to Italian working people. The first antiworker

measure in this direction was the government decree which weakened the action of the "moving scale" that brought working people's wages into line with growth of cost of living in the country. The material situation of millions of working people was worsened as a result. In addition, unemployment rose sharply and passed the 3 million mark for the first time in the postwar years.

Business and industrial capitalists view the situation that has developed in the country from their own point of view. In their opinion, the main results of the last two years in the Italian economy were the 2.5 percent growth in gross national product and the decline in inflation.

"Italian industrialists have been pleased with the government's actions aimed at increasing the country's economic activism," said L. Luccini, president of Confindustria. "But at the same time we think that more could have been accomplished by restraining expenditures on social needs and maintaining the state administrative apparatus and curbing expenditures on production, which remain high in Italy."

So "more could have been accomplished." All that was needed was to listen to Confindustria's advice: cut expenditures for public health and education to the limit. And to lower production costs, hit the workers' pockets even harder or simply fire them.

"We are witnessing," A. Pizzinato, secretary of the All-Italian Labor Confederation, told me in our conversation, "an explosion of unemployment that is unprecedented in the country's history. The level is especially high among young people. We have 1.8 million young men and women under the age of 29 who are still searching everywhere for their first jobs. One-half million workers are living on assistance. As has happened before, the wages of working people are being sacrificed. The employers see wages as the 'root of the evil,' from which all our economic difficulties supposedly come. Although if you take the real incomes of millions of workers today you will find that they have in fact been stuck at the same level for 10 years. Unfortunately, just at this time the unity of the Italian trade unions and their representation among the masses have weakened. This created favorable conditions for maneuvering by the owners. The CGIL, CISL, and CGT have now been able to work out a unified platform for negotiations with the employers. This is a major victory for the advocates of unity in Italian trade union ranks. Together the country's three leading trade union centers will be able to oppose the capitalist offensive more effectively."

Indeed, signs from the local areas indicate that the workers are ready to stand up for themselves in an organized strike campaign. The trade unions believe that things may become even more critical in the fall, depending also on what steps the government takes to reduce Italy's enormous state budget deficit of more than 100 trillion lira.

The difficulties of the financial-economic situation can be explained to a substantial degree by the country's participation in the military programs of the NATO bloc. According to reports in the local press, the expenditures of the Italian Ministry of Defense rose by 30 percent in the last year alone. The

magazine ESPRESSO writes that the Tornado fighter bomber project alone will cost the taxpayers hundreds of billions of lira. And Italian shipyards are not building aircraft carriers for tourist cruises. The American cruise missiles deployed on Sicily are turning the country into an overseas hostage.

This prospect does not suit a large majority of Italians. They see establishment and consolidation of peaceful cooperation with the socialist countries, not confrontation, as the way out of the situation that has developed, both within the country and beyond its borders. We should note that the attitude of support for relations between East and West does find some response in the government cabinet.

To my question on this point A. Forlani responded, "For a number of years Italy held to a consistent foreign policy aimed at preserving peace and developing the broadest possible cooperation among peoples. The most recent visits to the USSR by the chairman of the Italian Council of Ministers and Italian Minister of Foreign Affairs go along with this policy. Our role here is not simply a mediating one; we should actively promote the cause of peace, cooperation, and international security. We want the Geneva talks between the great powers to give real, positive signals for the objective of establishing a new phase in international relations."

The Soviet Union actively supports the development of bilateral Soviet-Italian ties. The talks between General Secretary of the CPSU Central Committee M. S. Gorbachev and B. Craxi, chairman of the Italian Council of Ministers, in late May of this year were a significant contribution to strengthening these ties. They reaffirmed that, despite different positions on a number of significant international issues, the USSR and Italy are able and want to find points of agreement on such vitally important questions as stopping the arms race, restoring detente, and development of useful cooperation among states.

Italy is one of the leading Western European countries for volume of trade and economic transactions with the USSR.

"We always tried to establish better relations between East and West," said L. Luccini, chairman of Confindustria, in an interview with TRUD. "We think that the EEC can and should play an important role in the process of developing international relations and in expanding the trade and economic exchange between the countries of Western Europe and the CEMA countries. As for the mutual relations of Italy with the USSR, they seem friendly and constructive to me. There is no doubt that they can improve in the economic sphere, because the potential opportunities for exchange between our countries have not been fully used."

Contacts between the trade unions of our two countries have become more active in the current phase of Soviet-Italian relations. They have developed most intensively at the "bottom" level, between Soviet and Italian labor collectives and affiliated regions and cities. In the unsettled contemporary situation this is very important. Trade union contacts help people become more familiar with one another and combine their efforts in the struggle to avert nuclear disaster. Working Italy, A. Pizzinato said in conversation with me, has great hope for

the Geneva talks between the United States and the USSR. The working people believe that these talks should lead to agreement on disarmament and to the creation of conditions for banning the production of new types of weapons, including space weapons. The moratorium on nuclear explosions recently declared by the Soviet Union is an important step in this direction.

11176

CSO: 1807/7

WESTERN EUROPE

UPCOMING ELECTIONS IN SWEDEN VIEWED

Moscow PRAVDA in Russian 14 Sep 85 p 5

[Article by M. Kostikov, under the rubric "PRAVDA Correspondent Reports":
"Before Elections to the Riksdag"]

[Text] Following Norway, which just elected new members to the national Storting (Parliament), on 15 September the Swedes will make their choice. Will the Social Democrats headed by Olof Palme remain at the helm of power in Sweden or will other political forces take their place?

The marathon election campaign began early this year when the O. Palme government submitted the 1985-1986 state budget for discussion by the Riksdag. After this the bourgeois opposition, which includes the Moderate Coalition, the People's Party, and the Center, came out with its own joint economic program based on a review of the Social Democratic line and bolstering the market economy.

Stating that "Sweden is on the right path," the Social Democrats are hoping to do better than they did in the last elections, three years ago, after six years of rightist rule. The Social Democrats received 45.9 percent of the votes then. The Left Party - Communist - gathered 5.6 percent and, with 20 mandates, joined the ruling coalition.

"We will govern the country together with the communists again, if it is necessary," O. Palme has stated. In the past three years his government has been able to achieve some improvement in economic indicators. Among other things, the state budget deficit has been reduced from 13 percent of gross national product in 1982 to 7 percent in the current year. The country has a positive foreign trade balance, and production of output has increased about 16.5 percent since 1982. In the social field Sweden has really been the only country in Western Europe that has not cut back expenditures for social needs in recent years.

The election campaign statement of the Social Democrats specially points out that the party's most important goals in the field of domestic policy are to reduce inflation, stimulate economic development by additional investment and scientific-technical progress, reduce the state deficit, and control unemployment, especially among young people.

Despite some divergence on a number of issues, the rightist bourgeois parties are essentially operating in a united front, trying to take advantage of any pretext to criticize the economic policy of the Social Democrats. The Moderate Coalition, which is acting as the standard-bearer of the rightist propaganda offensive, is playing a special role here.

While they demagogically promise a "better tomorrow for Sweden" if they are victorious in the election, the rightist parties are not, as many Swedish observers note, able to offer a clear-cut alternative program that is in the interests of the ordinary Swede. On the contrary, in the broad assortment of propaganda slogans it is impossible not to notice the rightists' evident desire to gain new privileges for industrial and financial circles by following a "belt-tightening" policy in relation to working people.

The communists are calling for a policy aimed at nationalization of large banks and the main industrial sectors and broadening and strengthening the public sector of the economy. They consider it essential to take effective steps in the fight against unemployment, raise the tax on the profit of private companies, and cut military appropriations.

The Plenum of the Communist Worker Party, held in mid-August, adopted a resolution which points out the danger of a rightist bourgeois government coming to power as a result of the election: this could undermine traditional Swedish neutrality and lead to a policy of closer cooperation with NATO and support for the militaristic policy of the current U. S. administration. For this reason the Swedish Communist Worker Party put forward the slogan "A United Front against the Rightists," adopted a decision not to nominate its own candidates, and called on the voters to give their votes to the worker parties.

And so, next Sunday the Swedes will make their choice.

11176

CSO: 1807/7

EASTERN EUROPE

ECONOMIC COOPERATION WITH POLAND

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No. 9, September 85 pp 31-34

[Article by Mariya Bogatska, Institute of Market Conditions and Prices, Ministry of Foreign Trade, Polish People's Republic: "International Specialization and Cooperation In Production; PPR - USSR"]

[Text] A characteristic of Polish-Soviet economic relations is dynamic development of cooperation in production. As its basic form, international specialization and cooperation in production is becoming a firm basis for relations between the PPR [Polish People's Republic] and USSR in the sphere of science and technology, as well as foreign trade. Both countries receive significant benefits from the mutual division of labor.

Cooperation in production between Poland and the Soviet Union has long traditions. In the post-war period and in the 1950's long term agreements about delivery of goods facilitated the accelerated development of leading branches of the PPR economy: ship building, machine tool construction, production of railroad cars. And at the present time delivery of traditional Polish goods is important to the USSR economy: ships, railroad cars, construction and road building vehicles, metal working machine tools and other equipment. As the industry of both countries developed and experience in production was acquired economic relations were improved and their nature changed. Cooperative ties in the processing industry were strengthened based on division of labor in the production of end products.

A marked acceleration of industrial cooperation in mutual collaboration took place in the 1970's. This was the period in which manufacture of a number of types of cooperative products for the USSR was organized. Among these were finished products for the passenger cars manufactured by the Volga Automobile Factory (shock absorbers, lights, water temperature gauges), based on Italian licenses and technical specifications developed in the Soviet Union. In exchange the USSR provided windshields, covers, ground glass and insulating pads, diodes, spark plugs, bearings, drive gears, transmission boxes, wheels, as well as the Volga, GAZ-21B, Moskvich-408 and 412, Zaporozhets and ZAZ-96 automobiles, and spare parts for automobiles. In the second half of the 1970's Poland began to manufacture brake systems and switches for KamAZ trucks. Mass production of electromagnetic clutches for machine tools and

lathe clamps; standardized transmissions for road and construction vehicles; complete assemblies for looms and assemblies and parts for computer equipment was established. Cooperation in the aircraft industry was also worked out. The PPR is manufacturing engines and components for An-28 aircraft.

In the future, Polish-Soviet cooperation will also play a special role in the development of export specialization of Polish industry, including that of parts and specialization within economic branches. The economic potential of the USSR and the scale and volume of its internal market open for Polish industry significant opportunities for the growth of effective mass production. Part of this production can be directed at satisfying the requirements of the national economy. The experience of past years proves that the development of mass production for export to the USSR also expands output to third country markets. Examples include shipbuilding, the construction of sulphuric acid and sugar factories and the manufacture of construction machinery.

In machine building, specialization and cooperative ties are much more developed than in other branches. This is reflected in the trade in machinery and equipment. Mutual deliveries between the PPR and USSR comprise more than 60 percent of Poland's trade with CEMA countries and at the same time approximately 60 percent of Polish export of machinery and equipment to these countries. At the same time, Poland sends to the Soviet Union more than 80 percent of all products exported to CEMA countries and produced on the basis of specialization and cooperation, including more than 80 percent of the machinery and equipment. The share of deliveries of specialized and cooperative goods comprise 32 percent of the export of machinery and equipment in 1983, and 24.9 percent of all exports. The volume of these deliveries is growing, as a rule, most dynamically. This confirms the significant growth in the share of specialized and cooperative goods in Polish export to the Soviet Union, from 2.2 percent in 1971 to 24.9 percent in 1983, and in the export of machinery and equipment, from 4.4 to 32.0 percent respectively. Thus, specialization and cooperation are an incentive to mutually advantageous trade between the PPR and USSR.

COOPERATION -- GUARANTEE OF FUTURE ACHIEVEMENTS

In the 1980's, especially in 1982, in connection with difficulties in the Polish economy, the growth in mutual exchange of cooperative goods slowed. As a result, their share in exports to the Soviet Union declined from 27.3 percent in 1981 to 23.0 percent in 1982, and in imports from the Soviet Union from 8 to 4.5 percent respectively.

Although, as a result of reduced production and investment activity in the PPR, a large portion of previously operative agreements about international specialization and cooperation in production were not extended to 1981-1985, in a number of cases mutual deliveries of goods were accomplished, even despite the absence of corresponding protocols. In 1983 and 1984 these unfavorable tendencies were overcome. The share of specialized goods in export increased. Measures were taken to extend agreements and conclude new ones. A number of branch subprograms were agreed upon for developing specialization and cooperation with the USSR up to 1990 in the fields of

electronics, machine building and tool construction, production of construction, road construction and utilities machinery, transport equipment and machinery and equipment for the chemical and automobile industries and electronics. Agreements will be concluded on this basis about specialization and cooperation among corresponding industrial enterprises and organizations in the PPR and USSR.

In 1984 and 1985 a significant advance took place in the development of specialization and cooperative ties between both countries. At present the PPR delivers to the USSR medical x-ray equipment, instruments for controlling and regulating technological processes and ship components. At the same time, cooperative deliveries by the Soviet Union to the PPR provide components, materials and semi-finished products for aircraft; assemblies and subassemblies for load-lifting machinery; elements for hydraulic drives; and earth moving equipment. It should be emphasized that the dynamic growth of Polish export of refining industry products is a decisive factor in providing the Polish economy with fuel, raw materials and materials imported from the USSR, as well as machinery and equipment, especially given the imbalance in mutual deliveries which has occurred in recent years.

The long-range program for developing economic and scientific-technological cooperation between the Polish People's Republic and the USSR for the period up to the year 2000 is creating stable foundations for extending international specialization and cooperation. Specific decisions to implement the main theses of the program were made at the 27th session of the Soviet-Polish intergovernmental commission on economic and scientific-technological cooperation, which was held in October 1984 in Moscow. It was decided that the two sides would extend specialization of production and expand mutual deliveries of products: the PPR in shipbuilding, including ships for developing the Continental Shelf and the production of railroad rolling stock, construction and aviation equipment, agricultural machinery, chemical, metalworking and mining equipment, electronics, machinery and equipment for light industry and the food industry, electronic goods, communications equipment and tools; the USSR in the production of power, metallurgy, mining, lifting and transport equipment, road building and construction equipment, trucks, tractors, diesel and electric locomotives, electrical and aviation equipment, computer equipment, complex domestic machinery and tools.

Besides continuing already existing specialization, the long-range program defines other fields, which stem from new needs and production capabilities and important scientific-technological and production tasks. These include: joint development and introduction of machinery and equipment sets for construction of large diameter pipelines; extending cooperation in the production of automobiles and trucks; developing and implementing a program for cooperation on problems of petroleum geology, geophysics and deep drilling; organization of cooperation in creating flexible automated production systems and robotics and the production of hybrid integrated circuits; expansion and extension of specialization and cooperation in the production of STB and ATPR [not further identified] looms; the use of all types of secondary resources and the creation of new technologies for their utilization.

Joint developments will be directed at improving quality, raising technological levels, enhancing the competitiveness of products and strengthening the positions of both countries on the world market. The implementation of a number of joint measures to develop production of individual types of modern equipment will help reduce the dependence of the economy on the capitalist countries.

DIRECT TIES

The long-term program also provides for extending Polish-Soviet cooperation by establishing close ties and developing initiative at the level of enterprises and scientific research and planning and design organizations. Extending these ties will undoubtedly stimulate the expansion of international specialization. Stemming from the requirements which arose in the course of bilateral cooperation, the PPR and USSR designated a number of major, related enterprises, which will develop direct contacts based on agreements. In 1984 more than 50 meetings of representatives of these enterprises, associations and organizations took place and more than 20 agreements on direct cooperation were concluded. The provided for sharing experience in the areas of production, technology, organization of labor and cooperation of public organizations, including in the social and cultural sphere. The greatest attention was devoted to improving production efficiency and effective use of material resources. Direct ties were established in the tractor industry, as well as in the production of other agricultural, construction and road building machinery, locomotives and rail cars, control apparatuses, and in machine building and the automobile, electronics, photochemical, petrochemical, weaving, knitted wear and other economic branches.

The experience of direct cooperation between the Warsaw factory, Ursus, and the Minsk Tractor Factory imeni V. I. Lenin is interesting. Ties between these factories were established back in the 1960's and today a new stage in cooperation has begun which is opening up good opportunities for coordination, extension of cooperation and limiting imports from the West. The PPR and USSR signed an agreement for three years, which provides for sharing technological specifications and mutual assistance in introducing new equipment and training specialists. A plan for scientific-technological and cooperative interaction has been compiled. A cooperation council has been created at Ursus, in which four specialized commissions for its individual aspects are functioning. A protocol was also signed between the Ursus Factory Committee and the Minsk Tractor Factory Party Committee on cooperation between their party and social organizations. The course of fulfillment of the joint program of cooperation is being systematically analyzed and questions of production and technological mutual assistance, in particular manufacturing of equipment and machine tools for Ursus, have already been solved.

Collaborative production of 25 and 40 ton lift capacity automobile-type self-propelled cranes, accomplished by the Odessa and Nikopol'skiy crane building factories (USSR) and the Gliwice machine building factory, Bumar, and the Famaba and Bumar-Fablek factories (PPR) can also serve as a positive example of cooperation. A joint collective of designers from these enterprises has been created.

Stable ties are developing between the Polish Gravi association and the related Lithuanian association of road building materials enterprises, Granitas. Thus, in the dolomite gravel factory being built in Lithuania, the rail car loading process has been designed using Polish experience. A cantilevered moving mechanism for storage of nonmetalliferous materials is being introduced into production, and original sand and siftings separators are being manufactured, which make it possible to dehydrate the product simultaneously. The recommendations of Polish specialists were utilized in designing the innovations.

Similar ties have also been organized in the furniture industry. For example, Polish furniture makers have studied and mastered the production of sectional furniture using technology developed in the Kaunas furniture association, Kauno Baldai, and the tool section was created mainly according to Soviet design. Kaunas has used Polish experience in preparing planed veneer sheets and is introducing a new furniture upholstering assembly line. Such cooperation is creating a stable basis for various forms of division of labor throughout the whole cycle of science - technology - production - marketing.

Direct cooperation among Polish and Soviet enterprises and economic organizations is being realized through mutual visits of specialists. The sharing of scientific-technological and advanced production experience must contribute to improving production processes and revealing reserves of material resources, which could serve as the basis for specific mutual assistance.

In connection with this, for greater effectiveness in transmitting and utilizing advanced experience, beginning in 1985 the protocol on trade and payments between the USSR and PPR provides especially for sharing of products and services between enterprises within the framework of such ties.

The opportunity for establishing direct contacts on the level of enterprises and economic organizations enriches the practice of the already existing forms of organization of their cooperation. The reform being carried out in the Polish economy is helping to increase the independence of industrial enterprises and is contributing both to greater interest in organizing new forms of cooperation, and to the creation of favorable economic prerequisites and conditions for developing international division of labor. At the same time, the reform lays the foundation for an increased role for enterprises in choosing priority directions of international specialization and cooperation in production, and for revealing existing reserves in order to use them.

The USSR is creating the necessary organizational conditions for developing direct ties in the interests of its own production. In 1981 the USSR Council of Ministers adopted a decree, "On The Further Improvement of Cooperation of USSR Ministries and Departments, Associations, Enterprises and Organizations With Corresponding Organs, Enterprises and Organizations of Other CEMA Countries in the Fields of Science, Technology, International Specialization and Cooperation in Production." It defined the conditions for the development of production and scientific-technological cooperation on the basis of direct economic agreements. They were supplemented and expanded by the USSR Council of Ministers decree approved in 1984, "Basic Provisions of the Procedure For

Implementing Direct Production and Scientific-Technological Ties in International Intra-Branch Cooperation Between Ministries, Departments, Associations, and Enterprises of the USSR and Other CEMA Countries." The development of direct cooperation at the present stage is an urgent need. Without this it is impossible in practice to maintain highly effective contacts between partners whose production processes are closely related. Direct ties help to share information which is so necessary for selecting priority directions of international specialization as well as for displaying cooperative initiatives by the economic organizations themselves. Direct cooperation in science and technology facilitates the creation of a common and uniform technological base for the development of cooperation in individual industrial branches and for the development of unified standards. It is important for coordinating the priorities of both countries in specific areas of cooperation.

Direct contacts among economic organizations are being used successfully in implementing agreements on international specialization and cooperation. They are improving the effectiveness of cooperation and the degree of adaptability of reproduction processes and facilitate synchronization of production cycles. During the course of businesslike day-to-day contacts among economic organizations it is easier to solve joint tasks. In cooperative relations there are many of these: providing resources and materials, including imported; modernization; reconstruction of production capacities; introduction of new technology on the basis of specialized equipment; preparation and testing of experimental models and their exchange; adaptation of cooperative products to changes in the demands of consumers; coordination of foreign trade conditions, including terms of delivery; implementation of individual coordinated tasks; etc.

The basis for solving many questions of developing direct ties in the future is being established in the course of consultations between PPR and USSR planning organs on coordination of plans for 1986-1990. Extending these ties plays an important role in accelerating the development of specialization and cooperation in production between the two countries and makes it possible to use more effectively and to mutual advantage the production and scientific capability accumulated in the two countries, and to move forward together.

COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1985

9069

CSO: 1825/0014

EASTERN EUROPE

DISCUSSION OF ROMANIA'S CREDIT SYSTEM

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No. 9, Sep 85 pp 59-63

[Article by (Florea Dumitrescu), president, National Bank, Socialist Republic of Romania (SRR): "The Credit System -- A Lever For Improving Production Effectiveness"]

[Text] In the Socialist Republic of Romania, under conditions of all-round intensive socio-economic development, the role of banks in stimulating material production and in ensuring financial, monetary and currency stability has increased significantly.

The report by Comrade Nicolae Ceausescu, RCP General Secretary and SRR President, at the 13th RCP Congress in November 1984 emphasized that the significant achievements noted in all fields and in all sectors of economic and social life, and the holding of price levels within planned limits have led to increased purchasing power for the population, provided for stable monetary exchange and strengthened the national currency.

To fulfill the decisions of the March 1978 RCP Central Committee plenum a number of measures have been taken in recent years in the SRR to improve further the financial mechanism which, in accordance with the instructions of Comrade Nicolae Ceausescu, party general secretary, provide for strengthening intensive developmental factors, shifting the activity of enterprises to economic principles and increasing the role of financial and credit levers.

Financial legislation has been improved, a law concerning the formation, planning and distribution of profits and payments from profits and a law on capital investments has been passed and the procedure has been regulated for prior deductions for the social fund of part of the value of net output, incentives for production for export, participation of the workers in the production process, and formation and distribution of profits. This has led to the steady strengthening of worker self-management and cost accounting and to improving the initiative and responsibility of labor collectives in the highly efficient use of all material, labor and monetary resources and improving the qualitative aspects of economic activity.

At the same time the necessary conditions have been created for enterprise self-financing. This provides for an ever greater degree of payment from internal funds of the expenses for production needs and capital investments, as well as of incentives to labor collectives for fulfilling and overfulfilling plan targets, reducing production expenses and increasing profitability.

In his report at the 13th RCP Congress, Comrade Nicolae Ceausescu noted the need to apply firmly the principles of the new economic mechanism and to increase the role of the plan, which must encompass all sectors of activity.

The planned economy best ensures concentration of material, labor and monetary resources in priority directions of development. Under conditions of a Socialist economy the concept of "planned management" has new content, characterizing the direct participation of the workers in making decisions on the rights of the owners of means of production, producers and consumers.

The prominent economic and social achievements of the Romanian people in the current five-year plan confirm the correctness of the RCP policy, established to serve the vital interests of the people and the cause of cooperation and peace throughout the world. The workers in the banking system are also making their contribution to these achievements. Their activity is directed at assisting the enterprises best use the resources of the economy, strengthening order and discipline in the use of funds, preventing and eliminating waste, increasing the responsibility of cadres in enterprises who make decisions and manage the use of material and monetary funds, and improving the effectiveness of all social and economic activity.

The banking system is a direct element in implementing financial processes in the economy. Through it credits are granted to enterprises for the purpose of creating and putting into operation capital construction projects, realizing production targets and marketing of goods on the domestic and foreign market, and payments of enterprises are made with the assistance of accounts opened in banks. The banks constantly control the procedure for the formation and use of material and monetary resources by Socialist enterprises and take steps to ensure the complete and timely deduction of payments to the state in leu and foreign currency. Banking organs also pay very close attention to strengthening control of the enterprise's observance of discipline for cash payments, and the procedure for justifying and calculating wages. Consequently, there is no economic or social sphere of activity in which the banks would not take part or not implement control in one form or another.

The existing system for financing and credit for production and capital investments takes into account the need for definite funds for each enterprise, in strict accordance with plan targets and with constant acceleration of the turnover rate of funds.

Beginning in 1980, within the framework of the new financial mechanism, a budget of income and expenditures is being compiled in enterprises, associations and ministries, closely linked with the economic indices of the plan, internal funds and bank credits. The budget of income and expenditures serves as an economic lever for stimulating the smooth fulfillment of plan

targets and an instrument to guide and control all the activity of Socialist enterprises.

The proper compilation and fulfillment, under existing conditions, of the articles of the income and expenditures budget presumes that expenditures will be completely covered by internal income, without financing from the state budget. This is one of the basic principles of self-financing and is an index of high profitability. Profit is the main source of increasing the internal funds of enterprises. Its accumulation represents the main condition for increasing the level of self-financing and correspondingly the least use of bank credit for exerting a favorable influence on production expenses and for charging the lowest interest rates, which undoubtedly leads to increased profits.

The overall amount of working capital required for production, which is determined in the budget for income and expenditures, is financed by the internal funds of enterprises (working capital fund) and additional funds drawn in, and is supplemented by bank credits. For new enterprises in their first year of operation, the need for working capital is provided through budget allocations which are returned by the enterprises from profits obtained in subsequent years, and also by bank credits.

Capital investments for expanding, modernizing, rebuilding, reequipping and restoring capacities and for improving technological processes in existing enterprises are realized from their own economic development fund, which is formed basically from profits and depreciation deductions. If these funds are inadequate bank credits are granted. Capital investments for the creation of new enterprises, which are corporate bodies, as well as for significantly expanding existing enterprises, are financed from resources mobilized at the level of associations and ministries respectively. These resources are formed from profits and depreciation deductions, and if they are inadequate the difference is covered by budgetary allocations.

The successful development of the production and capital investment financing and credit mechanism presumes increasing the responsibility of banking organs, beginning from the moment the enterprises develop draft plans and income and expenditure budgets, and their support in justifying the targets and disclosing reserve production potential, determining the relationship between real and monetary indices, using all material and labor resources with maximal effectiveness, and ensuring maximum profit from each leu spent.

On the macro-economic level, banks participate in developing the unified national plan for social and economic development, the state budget and other financial plans. Among these, an important place is occupied by the annual credit plan, since it ensures the necessary balance between free resources in the economy and their distribution. Banks also develop quarterly plans which make it possible to solve problems which arise during the year effectively, and in the best conditions to take measures envisioned by the national plan for social and economic developments.

Both in developing the credit plan and in the process of controlling its execution, particular attention is paid to analysing the structural

correlation between resources and their distribution, as well as seeing that output of money is realized only through granting short term credits for production and trade and that issuance of intermediate and long term credits corresponds to monetary resources from savings funds.

In working out and implementing quarterly credit plans the banks analyze and systematically monitor the conformity of loans issued to the sums provided for in income and expenditures budgets, as well as to the needs of production, thereby preventing freezing of funds. Moreover, they contribute to taking steps for the purpose of delivery and timely settlement for products, ensuring on-time repayment of credits and thereby freeing resources to assist other enterprises.

Checking the securing of credits each month, the banks control the procedures for fulfilling all economic indices, namely the volume of net foreign and domestic deliveries of goods; payment of monies; observance of the planned level of reserves and the conditions for their retention; qualitative indices; reducing production expenses; obtaining envisioned profits and their distribution; and using credit as a lever to overcome shortcomings in the activity of enterprises.

The work of enterprises under conditions of the new financial and economic mechanism, as well as the more active influence on them of credit levers, for the purpose of obtaining maximally effective use of material and monetary resources, has led them in recent years to increase their own funds and to outstrip the growth rates of industrial and agricultural production, exports and other indices characterizing the development of the economy, by comparison with the average growth rate of short-term credit for production and trade.

Of the overall amount of short-term credits granted at the end of 1984, 54 percent were to industry; 14 percent to agriculture; 13 percent to domestic trade; 8 percent to the sphere of material and technical supply; 6 percent to foreign trade enterprises, etc.

In developing the state plan, budget and annual credit plan for 1985 further acceleration of the turnover rate of working capital was envisioned. This places on the banks special responsibility for more effective use of credit in order that it is granted at rates much lower than the rate of economic growth. This is all the more necessary since in 1985 it is planned to repay a substantial part of our foreign debt, and the internal resources of the economy for granting new credit will increase under conditions of preserving monetary exchange at the planned levels. To fulfill the tasks which stem from the state plan and budget for 1985, the National Bank and specialized banks exert influence on enterprises in the interest of using funds more effectively; drawing excess reserves into economic exchange; determining on a strictly necessary level the amount of supply; shortening production cycles; delivering high quality goods on time; collecting their costs most rapidly by banks; and repaying bank credits on-time.

To help enterprises fulfill plan targets under the best conditions, effectively use material and monetary resources and reduce expenditures and increase profits, the political executive committee of the RCP Central

Committee decided in October 1984, at the proposal of Comrade Nicolae Ceausescu, party general secretary, to lower interest rates charged by banks significantly on the credits which they grant. Thus, beginning on 1 November 1984, the level of interest rates on current credits is 5 percent in industry, transportation, foreign trade, and research and design activity; 3 percent in trade; 2 percent in agriculture and construction and assembly work; and 3 percent on credits for capital investments. For individual reserves of particular importance (for example, coke, coal, iron ore and nonferrous metal ore) the interest rates are 3 percent, and for reserves of agricultural and food products they are 1 percent annually.

At the same time decisions were made to establish profit maximums on a number of goods; provide incentives to workers to increase labor productivity; introduce technological progress; improve the quality of goods; and reduce expenses and increase economic effectiveness.

For a direct and better determination of the effectiveness of enterprises carrying out foreign trade activity, the single trade policy, identical for imports and exports, was improved, as was the non-trading policy of the leu with respect to the U. S. dollar.

In the aggregate these measures provide for further improvement of the financial mechanism and creation of appropriate conditions for fulfilling the tasks of the unified national plan for economic and social development of the SRR for 1985, and the directions envisioned in the directives of the 13th RCP Congress for 1986-1990 and in the future up to the year 2000.

A condition for normal functioning of the financial mechanism is unimpeded realization of economic payments, so that the transfer of goods from producers to consumers takes place without interference, and suppliers more rapidly receive the value of the goods which they supply and embark upon new production turnover.

The high economic growth rates led to a significant increase in the volume of operations between Socialist enterprises and transactions with foreign clients, as well as of accounting operations with the state budget, higher organs and banks. In 1984 the overall volume of noncash payments increased by 28.9 percent compared to 1980, and more than 62 percent of these operations were carried out through institutions of the SRR National Bank.

In implementing accounting operations, the banks conduct comprehensive, continuous and systematic control of the legality of operations and prices and the observance of plan and financial discipline. Banking organs watch to determine whether the time period for realization of accounts by purchasers are being maintained following the reception of goods, services or projects and prevent unjustified delays or refusals to pay. In so doing the banks periodically analyze the reasons which lead to delays in transportation of goods from suppliers to purchasers and, along with competent organs, help to eliminate such situations.

When purchasers do not have the funds to make timely payments to suppliers, the banks grant them necessary credits. Before these credits are received a

preliminary analysis is made of the reason for the inability to pay. It is required that a program of measures be compiled and presented which, when fulfilled, will restore the balance between deliveries and payments and repay the credits within the time period established by the bank.

In conducting cash operations the banks secure constantly increasing payments and deliveries resulting from the dynamic development of our economy. Priority is given to steps to ensure that the amount of money in circulation corresponds to objective, economically justified need.

For these purposes, the annual balance of the plan of monetary income and expenditures of the population, as well as the quarterly cash plans, are based on balance in the sphere of cash operations and take required measures to correlate the flow of money. This takes into account tendencies manifested as the population acquires free funds in the form of cash money and savings and deposits. In the process of fulfilling the plan, the National Bank once every two weeks controls fulfillment of the entire structure of the cash plan and daily controls the overall level of cash in circulation and takes appropriate day-to-day measures.

Banking organs pay particular attention to cash payments, and to controlling all categories of payments and the observance of cash discipline by all Socialist enterprises. To encourage a continuous exchange of cash monies, the banks stimulate deliveries from all sources and analyze fulfillment by enterprises producing consumer goods of their contractual obligations for complete and timely delivery to the market, the structure of the assortment and quality of goods, as well as changes in the reserve of trade enterprises, the smoothness of supply and their fulfillment of programs for sales and the plan for monetary deliveries.

The establishment of well based correlations between monetary income and expenditures by the population, and providing incentives for the ways in which they are put into savings and deposits helps to accelerate the circulation of cash money.

To manage the process of price formation and maintain price levels, which is a basic prerequisite for stable monetary exchange, banking organs pay appropriate attention to increasing labor productivity and reducing production expenses, thereby contributing to implementing the state pricing policy.

The adoption of measures in recent years by the National Bank and the central planning and financial organs to improve the planning and organization of monetary exchange and strengthen the bank's control over payments of cash, depending on fulfillment of plan indices by each enterprise, as well as increasing the responsibility of ministries, associations, and enterprises for disclosing new opportunities for drawing cash money into exchange under conditions of better satisfaction of the needs of the population for goods, services and housing has ensured stable monetary exchange.

The successful action of the new financial mechanism requires at the same time the firm application and generalization of the principles of the new wage

system, according to the method of common cost accounting, and closer linkage of the income of each worker with his specific production results.

Strict fulfillment of all plan targets, maximally effective and economical use of materials, achievement of the planned volume of production in the stipulated assortment and appropriate quality are the basic conditions for wage payments according to the common cost accounting method. Experience in the use of this system confirms its ability to mobilize the workers to provide the greatest volume of production of appropriate quality and with the least material expenditures.

At present, this system of wages is continuing to be improved and control is being provided over the more complete use of labor resources and the conclusion of contracts based on collective cost accounting by individual facilities and end products. The role of the basic organizational entity, which carries out production and with which the contract is concluded is increasing. Influence is also being exerted at all organizational levels on the observance of planned correlations between the wage fund and production tasks, between labor productivity and the average wage and between justified wage norms and rates charged for products. To improve the qualitative aspects of production activity, greater incentives for collectives and individual interests are being contemplated, by further growth in the variable part of wages, in particular of supplements according to collective cost accounting.

The banking system is making an ever increasing contribution to implementing the grand directions outlined at the 13th RCP Congress by improving the style and methods of work, displaying initiative, improving firmness in implementing control and effectiveness and responsibility in fulfilling targets. This is helping to improve activity in all areas and to strengthen plan and financial discipline. At the center of attention of the banking organs is assisting economic entities in effectively solving all problems during the period of plan fulfillment, and strengthening control over production, trade and capital investments to ensure high profitability and effectiveness of all economic activity.

At the present time all necessary conditions exist for the active use of bank levers in implementing the party's and state's monetary, credit and currency policy, and for raising the work of the employees of the National Bank and specialized banks to the level of the increasing requirements of the development of the Socialist Republic of Romania.

COPYRIGHT: Sovet Ekonomicheskoy Vzaimopomoshchi Sekretariat Moskva 1985

9069

CSO: 1825/0014

EASTERN EUROPE

HUNGARIAN EXPERIENCE IN REDUCING WHITE-COLLAR PERSONNEL

Moscow PRAVDA in Russian 8 Aug 85 p 4

/Article by V. Gerasimov, PRAVDA special correspondent, Budapest, August:
"The Energy of Reduction: Experience is Common Property"/

/Text/ "The administrative managerial apparatus is then aimed at 'self-reduction' when economic conditions push it to this,"--one heard this statement many times from Hungarian business executives and party workers. How does one create such means? What kind of methods should be employed here in order for an intelligent movement of cadres, their rejuvenation and renewal to take shape?

(Yeva Vintse), a counselor of the employment policy department of the State Administration for Labor and Wages gave me such an example from the past. In 1976, the HPR /Hungarian People's Republic/ Council of Ministers ordered that no one be accepted for a job in the sphere of office work. But this prohibition was in effect for only 1 year: it impeded a systematic exchange of cadres, retirement on pension, the influx of young specialists and the job placement of women. And then in the beginning of 1977, a new regulation was adopted--to reduce the number of white-collar workers of ministries and local soviets and of administrative workers of trusts by 5 percent before 1980. Moreover, a system of material incentives was worked out: if this "truncation" were over before the end of 1978, then the institutions had the right to keep the wage fund of those who had left entirely at their disposal in order to increase wages to those who had remained. If half left before the end of 1979, then those who had done this even a year later did not receive any kind of material benefits. Thus, economic means of influence for a reduction of the administrative apparatus were employed for the first time all over the country.

"Before the end of 1978, more than half of the institutions had discovered reserves and conducted the necessary reorganization," summed up (Yeva Vintse).

We are talking with her in a well built building near the Chain Bridge. There are many institutions here. Three years ago the Ministry of Labor, which has now been transformed into an administration, was located there. There were 210 administrators and 70 are left.

At the beginning of the present 5-year plan, several other ministries had been liquidated. The Ministries of Culture and Education had been merged into one.

A common Ministry of Industry was created out of three branches. Almost all the trusts have been broken up. Of course, all these transformations are mainly connected with the development and modernization of the organizational structure, and with an increase of the efficiency of economic activity and of the responsibility of the enterprises. They also promoted the "destruction" of departmental barriers. The breakup of the trusts and of several enterprises or of the Csepel Metallurgical and Machine Building Combine has achieved, for example, an expansion of intra-industrial cooperation and specialization, contract relations, flexibility and a strengthening of autonomous financing principles, and has set up obstacles to the monopoly position of large-scale industrial units which previously involuntarily dictated their conditions and prices. (Yeva Vintse) says that the reorganizations are important both for an improvement of the work of the administrative apparatus and for its optimization.

Approximately half as many officials are employed in the new Ministry of Industry than in the former three branches. Many departments which carried out parallel functions have been merged. The number of organizations and scientific institutes which served the liquidated ministries and trusts has been decreased by 20 percent. And the greater part of their officials, engineers and research workers are now working directly in industry. There have been no difficulties with the work and earnings of any of them. Whoever wished to was able to retire on a pension a year or two earlier than the time limit.

According to a decision of the HPR Council of Ministers, ministries which have not been affected by the reforms have to reduce their complement of workers by 5 percent from 1983 until the end of the 5-year plan. And economic means are also being used in order to do this.

A severe shortage of working hands is being felt in the country, and the regrouping of cadres is now a constant process. All workers, who in the course of the reorganization are transferred to new work places, are paid (up to 30 months) financial assistance which is helping to maintain income rates for the time /required/ for mastering skills in a new speciality. Thus, the difference between earnings in the old and new work places is being compensated.

Industrial enterprises, which now need to calculate better every forint spent, are getting rid of superfluous elements by themselves, at their own initiative, transferring administrators to workshops.

(Yanosh Katona), the head of the cadres department of the Hungarian State Board of Directors (direktsiya) of Railroads, told me that the putting in order of office work is progressing gradually, but consistently and constantly. For example, from 1979 through 1983 it was planned to reduce the number of office workers of the appropriate institutions by 15 percent, but they were reduced by 17 percent. In addition to the Central Budapest Board of Directors, six more provincial boards of directors of roads, a scientific institute, repair depots, warehouses and a social service system make up the administration. And the approach to each such "unit" was not mechanical, but differentiated. At the same time, the main production services have not been affected. Eleven indicators which define, in totality, the relation of the number of administrative office workers in the system to the total amount of workers, to the volumes

of cargo and passenger hauls, to the turnover of the freight car pool and to station and warehouse support were worked out.

This has made it possible to dismiss 24 percent of the office workers in one board of directors, 14 percent in another, and 10 percent in a scientific institute. But in (Zakhon) on the Hungarian-Soviet border, where the freight flow is growing, it was necessary, naturally, to increase their number. Thus, the indicators did not turn out to be a "procrustean bed." A controlled process is going on, which is realistically designed for each individual service, and at the same time does not prevent the hiring of young specialists and experienced cadres for work. A timetable for 2 to 3 years in advance for the retirement of office workers on pension has been composed. But those who wished to remain are continuing to work. Courses in retraining have been in operation. Several departments were merged. The number of leaders in local boards of directors has been decreased by 15-20 percent. Computer technology has arrived, and office work operations have been mechanized. Discipline has been strengthened.

How did the material incentive operate? In the first stage, for example, 60 percent of the wages of those who have left has remained at the disposal of the enterprise. Now still another rule is in effect: 30 percent of "saved wages" is going for an increase of bonuses and into the fund of the entire collective.

(Yanosh Katona) presents two more figures. During 1983-1984, due to the automation of office work, the collective of the central board of directors, in which there were 2,000 persons, was decreased by 360 individuals--approximately by 18 percent. At the same time, this 2-year program is not preventing the recruitment of needed workers, and, besides, there is a great demand for specialists of certain professions. Certain work placed may be made more attractive by increasing wage rates at the expense of those who have quit.

A flexible approach to the complicated problem of an improvement of the managerial apparatus is contributing to the fact that uncertainty and fears are not arising among people. The party and trade union organizations are watching attentively so that there is no bureaucratic administration, (pushing), callous attitude towards people and subjectivism.

In Pecs, I met with (Ishtvan Ersi), the secretary of the Baranskiy obkom of the MSZMP /Hungarian Socialist Workers' Party/. In the first place, he directed my attention to the role of party committees in the creation of a peaceful and businesslike atmosphere in conducting the reorganization, the improvement of the cadre structure, and the rejuvenation of the apparatus. The obkom is constantly tracking the methods which are being used in this case and is monitoring this work. Recently the apparatus of the local soviets and the oblast apparatus of state and party organizations have been reduced by 5 percent.

To manage labor resources economically and to direct them into the necessary course for the national economy, to intensify the labor of the managerial apparatus, and at the same time strengthening it with new, capable cadres, and to approach the problems of reorganizing and putting administrative services in order with a sense of measure and differentiation--this is how the Hungarian Communists are striving to conduct the work.

LATIN AMERICA AND CARIBBEAN

REVIEW OF JOURNAL LATINSKAYA AMERIKA NO 7, 1985

Moscow APN DAILY REVIEW in English 11 Jul 85 pp 1-4

[Excerpt] "Latin America: Economic Crisis--Reality and Prospects of the Way Out"--under this heading the journal carries speeches by Soviet and Latin American scientists who took part in the round-table meeting that was organized by the APN office in Mexico jointly with the journal's correspondent in that country. This meeting took place immediately after the Second Congress of Latin American Economists at the end of October 1984, in Mexico City.

The speakers at the round-table meeting pointed out that the present crisis in Latin America exacerbated all social and economic contradictions; the life of the masses is growing worse, unemployment is increasing, the real wages and salaries of factor and office workers are scaling down and the process of the ruining of small proprietors in towns and in the countryside is becoming more intensive.

The region has entered a new, crisis stage of economic relations with the industrialized Western countries. The degree of its involvement in the financial and economic system of world capitalism has risen considerably. This fact has added to traditional forms of economic dependence new ones that make it possible for the imperialist powers not only to influence the social and economic life of the Latin American countries but also to determine their political line to a certain extent.

It is necessary to achieve mutually advantageous and equitable international cooperation. There should be no room in international relations for any methods of economic aggression--the use of threat of embargo, boycott, trade, credit, or technological blockade and so on. The economic relations must be restructured in such a way as to make it possible for all the countries to develop their economic potentials in conditions of peace, justice and mutually advantageous cooperation.

The article "Mitterrand's Latin American Policy" by A. Stetsenko and S. Lukina says that the French Socialists' platform recognizing the right of the developing countries to self-determination, control over their natural wealth, and the establishment of a new economic order evoked considerable response throughout Latin America. The first steps taken by President Francois

Mitterrand and Foreign Minister Claude Cheysson gave rise to great hopes in the region.

A number of foreign policy moves by the new government were indicative of its constructive approach to the evaluation of the liberation process in the subregion, an evaluation which to a considerable extent coincided with that of the Socialist International.

Viewing as he did the liberation movement in Central America from the perspective of a "North-South conflict," rather than as an "East-West confrontation," Mitterrand, mindful of the French interests, repeatedly expressed an opinion different from that of the United States. More than once his statements sided with the just demands Latin Americans put forward in the struggle for their rights.

In August 1981, while signing the French-Mexican declaration on the situation in Central America, he spoke about the need for radical changes in El Salvador, both in socioeconomic and political spheres. Despite explicit U.S. displeasure France reiterated the continuity of its policy of developing normal relations and mutually advantageous cooperation with Nicaragua in various spheres. In January 1982 an agreement was signed on supplying to Nicaragua 90 million francs' worth of armaments for the defense of the gains of the Sandinista revolution from foreign military interference.

At the same time, the versatility of the French interests in Latin America frequently breeds contradictions which go against Mitterrand's political initiatives aimed at supporting liberation movements.

In this connection, the new stage in French Latin American policy should be regarded as one that is taking shape amid continuous infighting between the democratic forces which favor an independent foreign policy and the reactionary, conservative and pro-Atlantic forces which are acting in concert with big French and transnational business. This and many other factors are what determines its controversial and mixed nature.

CSO: 1807/467

LATIN AMERICA AND CARIBBEAN

TABLE OF CONTENTS: LATINSKAYA AMERIKA NO 7, 1985

Moscow LATINSKAYA AMERIKA in Russian No 5, Jul 85 pp 3-4

[Text] EDITOR'S COLUMN

The Revolution Which Can Defend Itself	5
The Economic Crisis: Reality and Prospects for a Solution (round table)	7
Stetsenko, A. K., Lukina, S. I. Mitterrand's Latin American Policy	28
Kuzminshchev, A. V. Honduras: A Model of "Occupation Democracy" ..	39
Galkina, A. D. Tendencies in the Development of the Peasant Sector	48

GLOBAL PROBLEMS OF MODERNITY: DEMOGRAPHY AND EMPLOYMENT

Kuzmin, V. V. The Dynamics of the Population	54
Kotsoyev, A. G. The Idea of Latin American Demographers	61
Gavrilov, V. M., Davydov, V. M. From the "Demographic Explosion" to the Employment Crisis	65
Onufriyev, Yu. G. Agrarian "Resettlement"	80

ANNOUNCEMENTS

Sakhokiya, P. M. On the Question of Training National Personnel ..	89
--	----

MEETINGS, INTERVIEWS

The Struggle for Peace and Democracy--A Cause for Each and Every One (interview with Liber Serezni)	94
--	----

PAGES OF HISTORY

Kheyfets, L. F. (Leningrad) Hands Off Nicaragua!	98
--	----

USSR--LATIN AMERICA

The Artist-Fighter (Exhibit of David Alfaro Siqueiros in Moscow) ..	108
Borisov, A. B. Mexican Journalists--Guests of the ILA	110

ART AND LITERATURE

Vetrova, T. N., Sukhostat, A. A.--The Patriarch of Brazilian Cinema	112
---	-----

LATIN AMERICAN STUDIES ABROAD

Lunin, V. N. The Cuban Center for Research on the World Economy ..	125
--	-----

THE BOOKSHELF

Book Discussion

Dependent Capitalism--A Reality of Latin America	127
--	-----

Reviews

Paramonov, V. P., Bulychev, I. M. A Plot Against the Peoples of Central America, Moscow, "Mezhdunarodnyye Otnosheniya," 1984	131
Belovolov, Yu. G. (Donetsk) Gaspar Jorge Garcia Gallo, General of the Sugar Plantations, Havana, 1983	133
Aleksandrenkov, E. G., Gulyayev, V. I. The Forgotten Cities of the Mayas: Problems of Art and Architecture, Moscow, "Iskusstvo", 1984	134

COMMENTARY

Gurvits, M. M., Ilin, A. A., Kondratyeva, A. V. Who Gained From the Killing of Hemmy Croes?	136
---	-----

DOCUMENTS

To the Heads of the Governments and States of Six Nonnuclear Powers	143
---	-----

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1985

11772

CSO: 1807/467

LATIN AMERICA AND CARIBBEAN

ANNIVERSARY OF NICARAGUA'S SANDINISTA REVOLUTION MARKED

Moscow LATINSKAYA AMERIKA in Russian No 7, Jul 85 pp 5-6

[Article: "The Revolution Which Can Defend Itself"]

[Text] On 19 July in Nicaragua, as in many other countries of the world, they celebrated the sixth anniversary of the Sandinist revolution, which laid the basis for the country's national restoration.

This process creates important new prerequisites for positive changes in the international climate. Having entered on the path of independent development, Nicaragua sharply expanded the geography of its foreign ties and became actively engaged in the struggle for peace, detente and restructuring of international economic relations. From the moment of the victory of the revolution the FSLN [Sandinista National Liberation Front] and the Nicaraguan government repeatedly announced their readiness to establish relations as equals with the United States, in spite of the fact that the White House was growing increasingly hostile toward the country where the pro-American dictatorial regime of Somoza had been overthrown. Important constructive political and diplomatic efforts were made in this area. Recently the homeland of Sandino, which recently celebrated the 90th anniversary of the birth of its national hero, the outstanding anti-imperialist fighter, unilaterally implemented a whole complex of measures directed toward normalizing Nicaraguan-American relations. The revolutionary government, for example, offered U.S. congressmen the opportunity to visit the country's military facilities which interested them in order to dispel the groundless ideas about the growth of their armed forces which was "dangerous" to the region. Let us note that this is being done under the conditions of an undeclared war on the part of the United States against Nicaragua.

And how did the U.S. President respond to this gesture of good will? As we know, he suggested the so-called "peace plan," which was essentially directed toward forcing Nicaragua to accept the ultimatum given a short time before this by the heads of the "contras." In other words, to place the former henchmen of Somoza and the Sandinistas at the table for negotiations about holding elections under "international" supervision (here Reagan compared the bandit killers to the fighters of the army for the liberation of Latin America under Simon Bolivar, and also to the fighters in the French Resistance). Thus the White House would like to nullify the general elections held in November

1984 in Nicaragua with the participation of observers from many countries of the world in which the FSLN won an impressive victory. The goal of this policy of Washington's is to undermine the implementation of the program of socioeconomic transformations that was set forth by the Sandinistas during the course of the preelection campaign.

At the same time the so-called "Democratic Coordinating Committee" which includes three right-wing bourgeois parties, the reactionary clergy and the KOSEP (Former Council of Private Entrepreneurs). In a spirit close to that of the "world plan" of the American administration, this commission produced a document adopted in San Jose which contains threats of sabotaging the plans earmarked by the FSLN.

But the peculiarities of the development of the Nicaraguan revolution--the consolidation of the people around the FSLN and its ideological-political and economic platform of restoring the nation--not only gives rise to specific forms of joining the forces of external and domestic reaction, but also creates new international realities that provide for the defense of the conquests of the people of Nicaragua.

This is also indicated by the fact that the U.S. Congress refused to grant the \$14 million requested by the president to give military assistance to the "contras." In spite of all of the efforts of the administration, it has not been able to avoid a moral and political collapse. The endeavor to link the debates in Congress regarding this question to the fight against "communism" on a global scale was not successful. Reliance on the "contras" was regarded in Congress as an indication that the administration had no realistic policy regarding Nicaragua. This estimate of the course of the White House was given against the background of the development of the "Contadora process," which is gaining and more supporters throughout the world.

It is precisely this circumstance that bothers official Washington most. All of the tricks that have been used to camouflage relations of discrimination against small and generally developing countries by charging up the situation around Nicaragua and the explanation of the crisis as an aggravation of the conflict between East and West have turned out to be fruitless.

Trying to tip the scales in his own favor, the U.S. President gave an order for an economic blockade of Nicaragua. Trade ceased, air communications with Managua were curtailed, and Nicaraguan ships were forbidden to come into American ports. When declaring these unilateral sanctions the official representative of the White House emphasized in a threatening voice: "We hope that they will understand that they are not joking."

But neither are the Nicaraguan people joking, these people who value so highly the freedom they have finally won. The 50,000 Nicaraguans did not die in vain. The people of Nicaragua link their destiny and their future to the cause for which they gave their lives, for which the Sandino army also struggled more than a half-century ago. "Our revolution," said Nicaraguan Minister of Foreign Affairs M. D'Escoto in an interview with the correspondent from our magazine, "The children of our nation and therefore practically all Nicaraguans will also defend it. We are willing to go to any sacrifices for

the cause of the working class and the peasantry, the more so since we understand how great the significance of our successes is for the liberation struggle of the peoples of other countries, and not just Latin America."

Nicaragua's position is met with understanding in an ever larger number of countries. It is not accident that, as distinct from imposing an economic blockade against Cuba, the United States this time was forced to act alone, with no support from its West European partners or within the framework of the OAS.

The persistence of the Nicaraguan people, their intolerance of the policy of blackmail and threats, and their unshakeable will to follow the path of national restoration are exerting an ever stronger influence in the direction of making the international situation healthier.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1985

11772

CSO: 1807/467

LATIN AMERICA AND CARIBBEAN

POSITIONS OF HONDURAN PRO, ANTIGOVERNMENTS PARTIES EVALUATED

Moscow LATINSKAYA AMERIKA in Russian No 7, Jul 85 pp 39-47

[Article by A. V. Kuzmishchev: "Honduras: A Model of 'Occupation Democracy'"]

[Text] The most remarkable event on the surface of the intrapolitical life of Honduras recently has been the firing and exile abroad of the supreme commander in chief of the armed forces, General Gustavo Alvarez Martinez. It seemed that the fall of Alvarez contradicted all the logic of this "guerrilla's" career. A faithful servant of the powers that be in his own country and no less obedient to Washington, he had their complete confidence. This was evidenced by the very appointment of Alvarez Martinez to the post of the supreme commander in chief at the beginning of 1982. Previously he held the post of the chief of the FUSEP (Security Forces and Police). General Alvarez took military training in Argentina and in Fort Benning (United States) learned antipartisan activities and, finally, he completed his military education in the so-called "school of dictators" which is located in the Panama Canal Zone--the "school of the Americas." He also entered a group of right-wing American officers who protected the Somoza followers who were based in Honduras. He was given major responsibilities for conducting an operation under the code name "Sandwich" which was carried out by the Honduran and Salvadoran armies against tens of thousands of fugitives from El Salvador and also for the mass murders on the Sumpul River in May 1980.

The appearance in the post of supreme commander of a figure with clearly expressed reactionary views was explained by the fact that neither the United States nor the local military-oligarchic circles had complete confidence in the liberal government that came into power in Honduras beginning in January 1982. In particular they were bothered by the left-wing liberal parties which exerted a strong pressure from below on the party management. The oligarchy needed a "strong" person at the head of the army in the event that the government course should shift to the left.

But in the final analysis the political fervor and the self-blinding from success (Alvarez became the youngest Honduran general during the past 20-30 years) led the "supreme" commander and his followers into a blind alley. The repressive policy of this clique actually isolated it within the Honduran society. It was deprived of support even from the armed forces. The majority of the officer corps was disturbed by the privileged position occupied in the

army by followers of Alvarez and by the fact that they shamelessly took advantage of this for their own personal enrichment. The high command was also dissatisfied with Alvarez's arbitrary behavior, when he would make decisions unilaterally, bypassing the Supreme Military Council. This council, according to the country's constitution, is a collegial agency for managing the armed forces. It consists of senior officers who are authorized, regardless of the government, to resolve all military issues. Thus Alvarez was encroaching on the holy of holies in military power.

Representatives of the property-owning classes also became dissatisfied with the commander in chief since he was increasingly "pushing out" of power the politicians who had the confidence of the oligarchy.

Finally in Washington too they came to the conclusion that Alvarez had gone too far (his adventurism was making it difficult to give the anti-Nicaraguan course of the United States a respectable appearance). In other words, there was no longer a need for Alvarez as someone to promote pro-American policy in Honduras. But previously Alvarez and his clique had given the United States the "right" to occupy the country. To be sure, this did not take place as crudely as it did in 1906-1924 (during that period naval troops invaded Honduras 10 times). All this was covered by the "growing coordination" of the activity of the American and Honduran armies. Under the pretext of "ordinary working out" of interactions with the army of Honduras, the United States concentrated near Nicaragua tens of thousands of naval troops and "Green Berets" and also military shifts, including aircraft carriers.

The right-wing extremism of Alvarez ruined the facade of the so-called Honduran "democracy" created by Reagan. The White House was also irritated by Alvarez' nationalist attacks against the Salvadoran marionettes. Initially, the permanent presence in the country of no less than 2,000-3,000 American troops enables Washington to liberate the armed forces of this state on the "domestic front." This corresponds to the desires of the United States to utilize the Honduran army against other countries of the American isthmus. The participation of Honduran soldiers in the invasion of the band of "contras" into Nicaragua is widely known. All 700 kilometers of the Nicaraguan-Honduran border continue to be essentially a front line. The Pentagon also assigns an important role to Honduran armed forces in the fight against the patriots of El Salvador. These forces have already repeatedly invaded the territory of the neighboring state in order to help the troops of the marionette regime which is waging war against its own people.

The new leadership of the armed forces is headed by General Walter Lopez Reyes, who is called the "conservative pragmatist." Grouped around him are representatives of the more moderate officer circles who are against bringing the country into armed conflict with Nicaragua and in favor of agreements concerning military cooperation with the Duarte regime in El Salvador. (In particular, they are in favor of reducing the contingent of Salvadoran marionette troops which is undergoing training on the territory of Honduras. They training was stopped altogether for a while." But why did Washington need this unique "front"? On the one hand, in order to give Washington's anti-Nicaraguan policy the appropriate appearance. On the other, the United

States can attentively keep track of the domestic political struggle in Honduras.

The situation which has arisen in the management of the Honduran army reflects fairly precisely the alignment of forces among the ruling segments as a whole. Thus the National Party (PNH), which represents the interests of the local oligarchy and the right-wing militarists, is experiencing a crisis period. Its influence among the workers has dropped: against the background of the revolutionary outbreak in Central America, especially the victory of the Sandinistas in Nicaragua, no demagogy is any longer capable of camouflaging the antipopular course of the PNH. The political failures of recent years have led to an aggravation of the intraparty struggle. A faction entitled "Unity and Change" has come out against the Ricardo Zuniga Augustinus, the PNH leader for many years. The members of this faction think that the conservative policy of Zuniga has no future and that it has led the PNH into a blind alley. They suggest nominating from the party as a candidate for president in the forthcoming elections (1985) General Melgar Castro. He already held the presidential chair during 1975-1978 and is a proponent of following a course toward the implementation of partial reforms. And although the country's constitution prohibits holding the presidential post twice, with a couple of little tricks it is possible to get around this obstacle completely.

Another piece of evidence of the internal crisis of the PNH was the appearance of the Association for Progress of Honduras (APH). It was created in 1983 with the active participation of the reactionary military elite and General Alvarez personally, who was at that time at the zenith of his power. The APH combined all the most important representatives of the Honduran extreme right wing, whose activity was financed by international anticommunist centers and the CIA. The APH, which coordinates the actions of all forces of the right-wing camp, has certain specific tasks. Thus it directs the actions of the semilegal terrorist band "Mancha Brava" and the Honduran anticommunist movement.

The Liberal Party (PLH) which is in power is also far from being unified. Now within the PLH there is a complicated interfactional struggle between the followers of President Suazo Cordova and their opponents on the left and the right. A manifestation of this struggle was the recent shaking up of the cabinet of ministers. New people appeared in posts of leaders of departments associated with the economy. At the same time the minister of foreign affairs, Edgardo Paz Barnica retained his post. He, at least in words, is in favor of neutrality and nonintervention in the affairs of other Central American countries. But no longer among the ministers was Carlos Flores Facusse, who considers Suazo Cordova to be a "grey cardinal" and is closely associated with the influential entrepreneurial circles. It is thought that his departure is explained by the fact that he is preparing to advance his candidacy for the presidency from the PLH. Suazo Cordova himself sympathizes with those segments of the property-owning classes who for decades have been the main support of the PLH--the rich agrarians. He prefers the method of caudillism and nepotism which are traditional for a Latin America politician associated with the oligarchy. Suazo Cordova is inclined to compromises with the socially and ideologically close right-wing liberal grouping of Marcelino

Ponze, a representative of the business circles of the country's northern (Atlantic) Coast. Also appearing within the PLH was one other--center--faction headed by Ascon and Carlos Montoya, which plays the role within the party of a center which is ready for any agreements.

For a long time the right-center line of Suazo Cordova was opposed by liberals who were considered to be followers of Ramon Villed Morales, the president of Honduras who during the years when he was in power (1957-1963) carried out a series of progressive reforms. This current was formed within the party in the faction People's Liberal Alliance (ALIPO). At the beginning of the 1980's ALIPO consistently criticized Suazo Cordova as the party leader and then also as the president of the country from "leftist" positions. The ranks of ALIPO joined together representatives of new urban middle classes who appeared during the course of capitalist "modernization" of Honduras. These segments are in favor of deepening the reformist course of the times of R. Villed Morales. Moreover, the ranks of the alliance also include revolutionary democrats who reflect the aspirations of the masses of people. Under the influence of the latter ALIPO has become more and more separate organizationally. It has gradually begun to be transformed into a political association whose members are ideologically close to left-wing social democracy. This has not suited the functionaries who are influential in the ALIPO group who hold positions of bourgeois liberalism. As a result there has been a split--the more radical wing under the leadership of the brothers Jorge Arturo and Carlos Roberto Reina, which headed the Revolutionary Democratic Liberal Movement, has separated from the alliance.

Other bourgeois parties have ended up in a difficult position: the National Innovation and Unity Party (PINU) and the Christian Democratic Party (PDZH). The PINU appeared 4 years ago as an expression of the interests of new entrepreneurial circles born of the wave of capitalist "modernization." The PINU brought down upon itself the wrath of the all-powerful General Alvarez since it came out in favor of conducting economic reforms that limited the power of the old oligarchic elite. Now this party has practically been dissolved into the PLH. The existence among liberals of trends similar to it in their social origin (Azconistas and moderate circles of the ALIPO).

The PDZH, which has been in operation in Honduras since the end of the 1970's, was also subjected to persecution on the part of the Alvarez group. Although the PDZH tends more to the center, whether it wanted to or not it has ended up in the camp of the leftist forces. This political line corresponds more to the desire of the church to play the role of arbiter in social conflicts. Of course the PDZH is not a clerical party. But it is not strong enough to conduct a policy independent of the opinion of the higher Catholic circles. Their position is expressed by the head of the Honduran church, Archbishop Hector Henrique Santos, who in his addresses to the congregation condemns both the force of the authorities and the utilization of religion to justify "antigovernment actions."

An analysis of the modern position and the condition of the main formal and informal centers of power, pressure groups and organizations which determine the appearance of official Honduras would be incomplete without taking into account the role played by diplomatic representatives of Washington in the

country's political life. The U.S. ambassador in Tegucigalpa, John Negroponte, managed through blatant blackmail to obtain from the government of President Suazo Cordova privileges for the TNK (multinational corporation) "United Brands," which caused harm to the country's foreign trade.

The split within the leadership of the armed forces and the so-called traditional and new parties is taking place under the conditions of a critical economic crisis. The "captains" of the Honduran economy from the Galaxia Group, which joins together entrepreneurs of Syrian and Lebanese origin, the family monopoly of Facusse and others have tried to overcome this crisis with the help of formulas from the "Chicago School" of Milton Friedman. They have also hoped for an influx of dollars from Washington. But the appeals from the Suazo Cordova government to the White House to shift the focus in American-Honduran relations from the area of military cooperation to the sphere of economic cooperation have not been heeded in the White House. Thus in the current fiscal year the United States will offer to Tegucigalpa \$62.5 million in military assistance and \$138.8 million for civilian purposes. But a considerable proportion of these \$138.8 million will be spent for military purposes (improving the network of telecommunications, which is controlled by the military; constructing an infrastructure in the regions where army units are located, and so forth).

Attempts to apply the formulas of the "Chicago School" in Honduras have not produced any results. According to a report submitted by the Confederation of Honduran workers (CTH), which cooperates with the government, of the 1.2 million Hondurans who comprise the economically active population, 800,400 are experiencing "difficulties" in the labor market. And 150,500 are out of work while 543,900 are employed part-time. Thus 70 percent of the Honduran population (4.2 million) do not have enough to eat. These figures reflect the failure of the "Caribbean Initiative" which was so widely advertised by Reagan.

To be sure, through impoverishing the masses of people the leaders in Tegucigalpa managed to reduce the increase in the foreign trade balance deficit somewhat. The position of the national currency--the Lempira--was also stabilized, and the Honduran gross national product increased by 1.2 percent. But this phenomenon is apparently only temporary.

The aggravation of the economic situation leads to a growth of the class struggle. During the first days after General Alvarez was exiled from Honduras throughout the country there was a wave of antimilitary demonstrations. Especially large uprisings took place on 1 May 1984. On May Day up to 100,000 Hondurans demonstrated in the largest cities under the slogans of fighting for democracy and the socioeconomic rights of the workers. The largest demonstration took place in Tegucigalpa where up to 50,000 people went out into the streets of the capital (almost 5 times as many as the number of participants in the May Day demonstration of 1983). An important feature of this demonstration of the workers was the fact that the major role in its preparation was played by the joint efforts of the main trade union associations of the country: the Confederation of Honduran Workers (CPH), the General Workers Confederation (CGT) and the United Federation of Honduran Workers (FUTH). The cooperation among them is a guarantee of the unity of the

workers. It also opens up for communists the possibilities of legal and semilegal work among the broadest masses of people. The unity of the actions of the trade union associations prepares a base for the formation of a nationwide unified front for the struggle against the pro-American oligarchy and its henchmen. As early as the 1970's and the first half of the 1980's there appeared a tendency toward the creation of such associations (the Honduran national and the Honduran patriotic fronts, the Front for National Unity imeni 25 June). Communists of Honduras are doing a large amount of work to consolidate the leftist forces.

At the same time the PCH is deepening its ties with revolutionary organizations which have stepped up their actions in response to the repression at the end of 1982 and the beginning of 1983. Their appearance as equal partners in the revolutionary movement has become, as communists note, an objective reality in the development of the class struggle in Honduras. Since the spring of 1983 in Honduras there has been a national united leadership of the revolutionary movement of Honduras. It appeared as a result of the unitarian processes in the camp of the leftist forces, a typical pattern in the modern development of the revolutionary movement in Central America as a whole. This association includes the PCH and several revolutionary military political organizations. Let us note that a leading role among the noncommunist left was played for a long time by the National Liberation Movement "Cincheneros" and the National Revolutionary Front imeni El Zelaya. These organizations originated at the end of the 1970's and developed in the spirit of the theory of the partisan "center." Having overcome the "Fokist" disease they were able to find a path to unity with other leftist forces. The influence of another leftist military political organization is now increasing appreciably--the Central American Workers Revolutionary Party (PRTC). This is a new name for the Revolutionary Party of Workers of Central America (Honduran Section). The PRTC was created in 1977. Since 1978 it has been participating in unitary processes that have been developing among the left. In 1983 the party leadership adopted a decision to change over from the preparatory period of organizational development to active work: its first military detachments began to operate in the mountainous regions of Honduras. This party is in charge of the actions of the national armed forces--regular military divisions--and the armed commandos liberation, and shock military tactical groups of partisans. In the poorest urban regions and rural locations the PRTC is creating detachments for self-defense--people's militia.

1985 was the year of the regular general elections in Honduras. The country entered this year in a situation which was mainly characterized, in the words of Ramon Custodio, who is in charge of the Honduran Committee for Protection of Human Rights, is instability. On the one hand, for the near future they have set a limit--to the extent that this is generally possible--to the claims of the rightist military machine to a monopoly on power. Its most zealous representatives have even been driven out of the country. The new military leaders hold more moderate views. But, on the other hand, the danger of the establishment of a military dictatorship is far from eliminated. General Alvarez in immigration is laying plans to return to Honduras "on a white horse." His "fifth column" within the country is the APH. At the end of 1984 an agreement became public which it had prepared with the help of the Honduran

military attache in Chile, General Bueso Rosa (former chief of the General Staff of Armed Forces under Alvarez, who was in some kind of exile) and also eminent entrepreneurs from the city of La Ceiba, the center of the northern economic region of Honduras. Among the latter there stands out Gerard Lachinian, one of the richest Hondurans, who is closely associated with rightist terrorists. Lachinian is called the "ambassador of death." He and his henchmen planned to kill Suazo Cordova and, taking advantage of the chaos that would ensue, transfer the power to General Alvarez.

At the same time the new military leadership was clearly not in a position to completely put an end to the policy of the antinational repression. For example, up to this point it had not offered the public information about the fate of approximately 100 political figures and trade union and student activists who "disappeared" in 1982-1983. Army representatives insist that there is no problem of "disappearances" and that the people mentioned had simply left the country. At the same time the FUSEP regularly deals blows to the leftist forces. Recently a group of ALIPO activists were arrested in the city of El Progreso. Press representatives were given to understand that this was done on an order from the president of the country. But Suazo Cordova's personal office refused to confirm the existence of such an order.

The overall instability is exacerbated by the fact that on the country's territory there are troops and bases of the United States, camps of the Nicaraguan "contras," and also Salvadoran soldiers who have come here for retraining under the leadership of American instructors. In a situation where the White House is doing everything possible to stimulate expansion of the anti-Nicaraguan campaign, these factors contribute to drawing Honduras into military actions in other countries of Central America. There is an especially real danger of armed conflict with Nicaragua. Washington is instigating it by using various provocations.

Reagan's reelection in the presidential elections did not change the White House policy with respect to Honduras. And this causes irritation even in certain rightist groups in Tegucigalpa. They are indignant with Reagan--openly indignant--within the walls of the aristocratic capital "Rotary Club," a traditional refuge for Honduran moneybags. These people have become accustomed to considering themselves the embodiment of nationalist ideology which, in their opinion, should oppose "world communism." But, as nationalists, they cannot be satisfied with the presence of foreign--American and especially Salvadoran--troops on the territory of the country. They think that the United States does not sufficiently take into account the national interests of Honduras, Washington's main ally in Central America. This pertains especially to questions of economic assistance. At the same time in Tegucigalpa they are afraid that the Americans might draw Honduras into military adventures which have a doubtful outcome. The ruling circles of this Central American country are extremely skeptical about attempts to frighten them with the "expansionism" of the Sandinista Nicaragua. They are bothered much more by the growing military power of the regime in San Salvador, traditionally "enemy No 1" of Honduras and the uncontrolled actions of the Nicaraguan "contras."

In this situation the regular general elections earmarked for the autumn of 1985 will apparently register a sharp drop in the level of electoral activity of the masses of people. During the years of the reign of President Suazo Cordova the people became convinced that their hopes of having their demands met through the system of bourgeois democracy were illusory. The liberal government not only did not follow its preelection slogans, but even for a long time covered with a "democratic facade" the existence of the Alvarez military clique. Therefore it is not so important who--the liberals who, to be sure, have better opportunities as the ruling party or the PNH--will win the regular general elections. In the eyes of the masses of people the idea of the effectiveness of the current model of the democracy for modern Honduras has been discredited. Regardless of Washington's maneuvering, it is increasingly becoming a model of "occupation democracy."

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1985

11772

CSO: 1807/467

LATIN AMERICA AND CARIBBEAN

EFFECT OF 'POPULATION EXPLOSION', SURPLUS LABOR ON LA ECONOMY

Moscow LATINSKAYA AMERIKA in Russian No 7, Jul 85 pp 65-80

[Article by V. M. Gavrilov and V. M. Davydov: "From the 'Demographic Explosion' to the Employment Crisis"]

[Text] An analysis of the key problems of the modern development of Latin America would hardly seem sufficiently productive if it were separated from the global tendencies and did not address not only the historic past, but also the long-range future. Today as never before it is obvious that it is actually impossible to solve problems without taking into account the projections of the past and especially of the future. This pertains fully to the demographic problematic of the region, which acquires new content because of the sharp complication of the situation in the sphere of employment. In turn, the demographic experience of the Latin American countries helps to understand better the effect of universal patterns in their refraction through various kinds of sociohistorical practice.

How do these patterns have an effect in general form? First and foremost, each stage in the development of mankind, as we know, is accompanied by an increase in population.

At the beginning of our era on the planet there were no more than 20 million residents, and now the population of the earth numbers about 4.7 billion people. According to predictions, before the end of the century it will reach 6 billion (one-tenth, incidentally, will be Latin Americans, as compared to 8 percent in 1980). The dialectic of the natural historical movement discovered by K. Marx points out the permanent nature of the tendency toward stage-by-stage growth of the demographic potential. The qualitative changes in the ratios among the basic elements of the productive forces, which are accompanied by a complication of the labor force, objectively entail the appearance of new social demands. Unless these are satisfied the development is halted. An impulse can be given to social movement by further growth of the population, which determines the limits of the possibilities of satisfying the new social demands in the next stage. In other words, by creating conditions for expanded demographic reproduction, mankind at the same time forms prerequisites for its further self-development. The "blind alleys" predicted by the Malthusians, could appear only when the development of the demographic potential came to a halt.

Of course demographic reproduction must be understood in the broad sense. It is realized during the course of the accumulation of knowledge and the increase in labor productivity. This pertains, of course, also to the periphery of capitalism (including Latin America), although it is behind by a "phase," following in the wake of the scientific and technical revolution and experiencing its mediated, modified influence.

The growth rates of the population are declining, social problems are increasing.

The entry of Latin America into the last third of the 20th century was marked by a retardation of the growth of the population. There is reason to assume that this tendency not only will continue, but will even become stronger at the beginning of the next century. The indicators of the birth rate are gradually decreasing while the level of the death rate is remaining the same (or even decreasing) (see Table 1). And this is predictable, for the socioeconomic conditions for the reproduction of the population, the style of life itself, family traditions and moral norms are changing. Such is the overall picture.

Yet the situation in the region is far from being the same everywhere. There are a number of countries (above all Uruguay and Argentina, and to a lesser degree Chile) where the demographic structure is close to the European standards. As for a number of English-speaking states of the Caribbean basin, which are also singled out in terms of important parameters, here the picture of the natural growth of the population is frequently distorted by the effect of mass immigration. In order to illustrate the existing differences, in Table 1 we have given indicators for Argentina, Brazil and Ecuador, which characterize the standard situations of demographic reproduction in the three groups of Latin American states.²

But with all the differences in the countries one thing is obvious: the tendencies which create a special situation (which qualitatively does not coincide with the one that is found and has been found in the traditional centers of capitalism) determine the demographic dynamics of most of the region. For the population of the countries that fall outside the indicators of a general regional nature amount to little more than 12 percent.

And the tendencies that are common for the region which have dominated since the middle of the century are those which led to a historically unprecedented "population explosion."⁴ This phenomenon is related to many factors, but in principle it is conditioned precisely by the phase mixture which was not found in the countries that are included among the centers of capitalism. The effect of modern technology was superimposed on the natural reproductive dynamics of the population that was inherent in earlier stages of historic development.

Moreover the Latin American countries encountered a process which is typified not only by an absolute increase in the number of people, but also by the appearance of numerous population groups which are excluded because of their living conditions from the process of normal genetic reproduction.⁵ The

ecological consequences of the expansion of the TNC [multinational corporations] in the region, which are not yet clearly manifested but are conditioned to a considerable degree by the fact that the centers of capitalism are shifting to the periphery branches of production that are dangerous to nature--these are beginning to have an effect on the "population explosion."

Table 1--Ratios Among General Indicators of Demographic Growth
(Average Annual Figures for Five-Year Plan)³

	1951- 1955	1961- 1965	1971- 1975	1976- 1980	1981- 1985*
Birth rate					
Argentina	25.4	23.2	23.4	25.0	24.6
Brazil	44.6	42.1	33.7	32.0	30.6
Ecuador	47.8	46.1	42.2	41.6	40.6
Latin America**	42.6	41.2	35.6	33.5	31.9
Death rate					
Argentina	9.2	8.8	9.0	8.9	8.7
Brazil	15.1	12.3	9.7	8.9	8.4
Ecuador	19.4	15.8	12.1	10.4	8.9
Latin America**	15.7	12.4	9.8	8.9	8.2
Life span, years					
Argentina	62.7	65.5	67.3	68.7	69.7
Brazil	51.0	55.9	59.8	61.8	63.4
Ecuador	46.9	51.9	57.1	60.0	62.6
Latin America**	51.6	56.8	60.9	62.8	64.4
Rates of growth of population					
Argentina	2.0	1.6	1.7	1.6	1.6
Brazil	3.2	3.0	2.4	2.3	2.3
Ecuador	2.9	3.0	3.0	3.1	3.2
Latin America	2.8	2.9	2.6	2.4	2.3
Rates of growth of population of working age***					
Argentina	1.7	1.5	1.5	1.2	1.2
Brazil	2.9	2.8	3.1	3.1	2.6
Ecuador	2.4	2.6	3.2	3.3	3.3
Latin America	2.4	2.6	3.0	3.0	2.8

* Preliminary estimate

** Excluding English-speaking countries

*** From 15 to 64 years of age

With the present descending general demographic dynamic one can see a stable tendency toward more rapid growth of the population of working ages. This is essentially a predictable effect from the fact that the generations of Latin Americans born in the 1950's, 1960's and 1970's are reaching adulthood, that is, the periods of "explosive" increase in the number of population in the majority of countries of the region.⁶ It would seem that there has appeared in the region's demographic situation a long-awaited inversion which creates conditions for balanced economic development and for reduction of the

dependent load on the economically active population. It would seem that the "population explosion" would begin to work in the interests of raising the national economies. But this logic comes into clear contradiction with the reality of capitalism, especially the variety of it which exists in the countries of Latin America.⁷

The entry of new generations of Latin Americans into working age coincided in time with the aggravation of the economic crisis in the countries of the region, the dislocation of production and mass firings.

Under the current socioeconomic conditions the ability of the existing economic system to utilize the demographic potential productively is extremely limited. Mass unemployment (in open and concealed forms) is an immanent feature of capitalism which assumes an especially large scale and a specifically stable nature. Having entered the time of bourgeois maturity in the age of imperialism, in a number of countries Latin America was still burdened by early capitalist (and in a number of cases even precapitalist) structures. Under influence from outside, relations of overripe capitalism were placed on "unprepared" socioeconomic soil. The decrepit social structures which served as a "refuge" for the immense mass of population disintegrated without being completely digested by the structures that were coming into being. It is also important to take into account the fact that the majority of the states of the region entered the age of the scientific and technical revolution without having completely solved the problems of the industrial revolution, which developed capitalist countries had completed by the third quarter of the last century. And since the influence of the modern scientific and technical revolution is mainly of a mediated nature in Latin America, the renewal of production is carried out on the basis of technology that is borrowed from the centers of capitalism, technology that is much less labor-intensive than that which in principle could correspond to the socioeconomic conditions prevailing in the region. As a result there is a steady reduction of the proportional employment, that is, the employment per unit of investment.

All this is augmented by the transformation of part of the working population into relatively surplus population, which is traditional for capitalism. And the boundaries of the process of marginalization--essentially, alienation from society--are expanding appreciably.

The average level of unemployment for the region, according to official figures, amounted to 5-7 percent of the overall able-bodied population. Such is the "normal" situation in intercrisis periods. But even at this time in certain Latin American countries the proportion of completely unemployed who were registered by official statistics increased to 10-12 percent (Barbados, Trinidad and Tobago, Panama, Chile, Uruguay and Colombia).

But the problem of underutilization of labor resources can certainly not be reduced to open unemployment. Moreover, as experts of the ECLA and the Regional Program of Employment for Latin America and the Caribbean (RPELAC) open unemployment is not the main form of underutilization of labor resources.⁸ Both in terms of the overall numbers and in terms of proportions

and, finally, in terms of the equivalent calculation, the main form of utilization of the demographic potential is part-time employment.

Part-time or incomplete employment is caused both by agrarian "resettlement"⁹ and by the fact that the urban sector of the economy is not developing rapidly enough to absorb the "surplus" labor resources. When they do not have the opportunity to obtain permanent work most of the population seek sources of livelihood in the sphere of unorganized (in the terminology of the ECLA--informal) services which are most frequently of a private nature or they simply make ends meet with random earnings. This kind of "employment" most frequently does not even provide for simple reproduction of the labor force.

It would be more correct to regard these cases as fictive employment, which conceals the true scope of the underutilized demographic potential.

According to estimates of the ILO and the REPLAC, at the end of the 1970's incomplete employment translated into the equivalent for full employment amounted to 20 percent of the overall number of economically active population in Latin America. And on the whole the number of Latin Americans who had lost their jobs or were partially employed was estimated at 35.4 million, which is equal to 46.7 percent of the economically active population of the region.¹⁰

The situation in the sphere of employment deteriorated sharply during the last cyclical depression which turned out to be the most serious in all postwar history for the capitalist world. In Latin America this depression was deeper and longer-lasting than in the centers of capitalism. The precrisis level of the GDP [gross domestic product] of 1980 was not reached in the region until the beginning of 1984. But translated into per capita amounts the GDP is still lower than the precrisis level, and it is even below the 1977 indicator.¹¹ The mass outdown of production was not slow in being reflected in the labor force market. According to the most optimistic calculations (based on official references) the indicator of open unemployment increased on an average for the region from 7 percent in 1980 to 10.4 percent in 1983.¹² According to calculations of the ILO, the overall number of unemployed and partially employed by this time had reached 55.7 million people.¹³ Yet the influx of new working hands into the labor market is increasing. During 1981-1983 alone it amounted to more than 9 million people in the region.¹⁴

We are speaking mainly about youth, whose labor placement is an especially difficult problem. Having entered adult life in the deepest economic depression, the younger generation of Latin Americans experienced the most difficult blows of fate. Although the official figures conceal the true scope of unemployment, comparing them for the various age groups produces a fairly eloquent picture. The proportion of young people who have no possibility at all of working is 3 times greater than the proportion of unemployed among the population over 25 years of age. There are frequent cases (Colombia, Mexico, Paraguay and Venezuela) where the proportion of youth in the reserve army of labor reaches 60-70 percent.¹⁵

By the 1980's the wave of the "population explosion" brought an immense contingent of people who were unsuccessfully looking for employment. And they were the young and most active part of the population. But the wave continued

to roll on, creating new difficulties at each point, both for the economy of the Latin American countries and for the "lost" generation. According to fully substantiated predictions, before the end of the century the average annual increase in the number of able-bodied Latin Americans (15-64 years of age) will be no less than 2.6 percent (with a growth rate of the overall population of 2.3 percent).¹⁶

But the increasing strain on the labor market will be created not only by the wave of young people, but also by the increasing supply of female labor force. There are many factors that are forcing Latin American women, who are traditionally bound to the household, to move into the position of hired workers. The general imperative is the further spreading of capitalist relations. And the main condition is a radical redistribution of the population between the city and the country. The majority of countries of the region have crossed the threshold of equal relations as early as the interval of 1960-1970. By 1980 63.3 percent of the Latin Americans lived in the cities, including 36.4 percent in centers with a population of more than 100,000.

By the end of the century it is expected that the proportion of urban population will increase to 75 percent.¹⁸ In other words, Latin America is rapidly moving along the path of further urbanization. Moreover, it is taking up the leading positions in the world with respect to the formation of megapolises where tens of millions of people are concentrated.¹⁹

Under the conditions of city life among the indigent the earnings of the breadwinner alone are not enough to maintain the family, even though the families themselves are having fewer children. The source of physical self-support which is typical for the reproduction of peasant families simply does not exist here. The overall instability of employment (the more so during economic depressions) makes it necessary to back up the earnings of the head of the family with work by other members. In the capitalist city, on the one hand, traditions of being attached to the household are being violated, and on the other the stability of the family units themselves is being undermined. They are increasingly being eaten up by the diseases of poverty and social and moral degradation. The statistics of Latin American cities show that fewer and fewer couples are getting married and that the proportion of single mothers in the overall feminine population is increasing. All these tendencies are ascending, which in the future promises a more rapidly increasing supply of female labor and the corresponding complication of the employment problem.

In 1970 the proportion of the economically active population in the age group from 20 to 24 throughout the entire region amounted to 88.3 percent for men and 30.2 percent for women; in 1962 these figures were 86.2 and 33.9 percent, respectively. According to the prediction of the ILO, by 1990 these indicators will be 84.1 and 39.1 percent, and by the year 2000--82.3 and 45.7 percent, respectively.²⁰

Unemployment in the region has spread to practically all social segments of working age and is paralyzing the development of the ability to work of those generations that are coming to replace the current category of people employed

in the process of public production. According to a number of predictions, this tendency can remain right up until the first decade of the next century, creating more and more difficulties not only for the present "lost" generations of young Latin Americans, but also for those who will enter working age during the next 15-20 years.

And so in the 1980's for the majority of Latin Americans there is an unprecedentedly difficult situation in the sphere of employment which is exacerbated by the consequences of the unprecedentedly deep cyclical crisis. The "population explosion" is essentially being transformed into an "explosion" on the labor force market. And this inevitably increases the social tension and directly aggravates the political contradictions, taking into account the inability of the existing social system to utilize the reserves for labor placement of the immense mass of the population.

Chronic unemployment or the impossibility of acquiring permanent work which makes it possible to feed one's family--this living reality of the immense mass of Latin Americans is today augmented by a rapid increase in prices and the introduction of a regimen of "strict economy" under pressure from Western predators in the majority of states of the region. The social dissatisfaction that has accumulated is crossing over the boundaries of political tolerance. It is no wonder that in recent years in Latin America there have been unprecedentedly severe mass uprisings accompanied by bloody encounters and numerous victims. Such was the case in Peru and Ecuador, in Brazil and Chile, in Jamaica and the Dominican Republic, and in a whole number of other countries of the region.

Unemployment is one of the most important reasons for popular protest, and frequently it is the direct reason. But, of course, this does not cover and it does not exhaust the entire content of the contradictions which are tearing apart the Latin American society. But regardless of the side from which we approach the employment problem, we cannot but see its strategic significance for the socioeconomic and political development of Latin America. And because of this certain questions automatically arise: How long can the current level of underutilization of the demographic potential last, what consequences does it entail?

The Contours of the Noted Tendency

Referring to experience of preceding decades when relatively high rates of economic growth were maintained in Latin America (an average in the range of 5-7 percent for the region) and the level of underutilization of labor resources decreased somewhat (in the period up to 1980), certain Latin American state figures place their hopes in accelerated economic growth during the course of the cyclical upsurge which will at least partially unplug the "stoppage" that has formed in the labor market. Such hopes are in all ways fanned by the official optimism of Washington. The Reagan administration is persistently instilling the idea that by gathering speed the locomotive of the American economy will pull Latin American countries out of the economic depression as well.

But what does this mean for Latin America, for the possibilities of utilizing its demographic potential? A whole series of conclusions leave no hopes of improving the market conditions. In the first place, the retardation of the rates of economic growth in the centers of capitalism inevitably brings about a slowing up of the economic development of Latin America. In the second place, the intensive technological renewal in the United States, Japan and Western Europe increases the demand for loan capital here, opening up for the work study departments prospects of highly profitable and guaranteed business and, consequently, reducing their interest in financing the unstable and extremely vulnerable economies of the Latin American countries. Hence also the probability of retaining a high loan interest rate. This means that the states of the region with the noose of indebtedness already around their necks, with great difficulty and at the price of political concessions, will have to negotiate additional loans with "expensive money." In the third place, the extensive introduction of microelectronics and biotechnology and the tendency toward the reduction of the proportional material- and energy-intensiveness in the centers of capitalism in the future can deprive many Latin American countries of their "relative advantages" in international capitalist division of labor which are based on natural conditions and the cheap labor force. This threatens them with a loss of the ability to compete not only with a number of traditional export goods of the region, but also with those products which they have begun to deliver to the foreign markets on the basis of the so-called "new division of labor."²⁴ Therefore there is a great probability of cuts in production in the corresponding branches of the Latin American economy. According to a number of predictions, the low-paid labor force of the periphery, including the countries of Latin America, can still turn out to be too "expensive" against the background of the advantages offered by production capabilities related to mass application of new technological processes in the centers. The goods that are becoming most competitive are those whose production requires less energy, raw material and unskilled labor. In the future this will undoubtedly continue to exert an influence on the nature of economic ties between the region and the centers, which are now faced with the crucial task of providing work for the generations that are reaching working age.

Finally, although with significant delay, the innovations of the scientific and technical revolution of the last "generation" will come to Latin America as well, sharply reducing the overall level of labor-intensiveness and, consequently, the employment per unit of capital investments.

When speaking about negative tendencies one cannot, of course, forget about the inequality of the economic potentials of the Latin American countries. The degree of complication of the employment problem will obviously be different for them. One cannot rule out the idea that further economic development and technical progress will create certain mechanisms of competition. But, in the first place, the prospects for this compensation are not yet clear. In the second place, it would have to be on a large scale in order to remove even part of the tension on the labor force market. But is capitalism capable of this, especially in its dependent peripheral variant?!

There is every reason to agree with those Latin American scholars who do not believe in the possibility of reabsorbing the immense "surplus" of workers

which had formed in the countries of the region by the middle of the 1980's, even in the extremely distant future. The Mexican Angel Serrano writes: "In the opinion of demographers, one cannot expect a reduction in the growth of able-bodied population until 12-15 years hence, that is, by the end of the 20th century and beginning of the 21st. Under these conditions problems of unemployment and incomplete employment assume a large scale. First because the Latin American countries are entering a difficult phase of economic stagnation, whose duration it is difficult to establish. Second and no less important is the fact that--keeping in mind the current tendency toward the introduction into industrial production of automated equipment (computers, robots and so forth)--each time new obstacles are created to the achievement of full employment and immense masses of population are separated from the achievements of the so-called modern society, thus increasing mass emigration to the more developed countries and regions.²⁶ This viewpoint prevails among ECLA experts as well. But another thing is symptomatic. In the existing situation, as is summarized in a document of the Center for Economic Prognosis of the ECLA, "in order to resolve the crisis of employment it will be necessary to make deep changes in the model of development."²⁷

If this means a truly radical socioeconomic restructuring, it is difficult to make any objection to it. A deep structural problem requires an adequately deep and structural solution. And in this connection it seems symbolic to us that one of the most eminent representatives of the ECLA school, Hannibal Pinto in his search for positive examples of a solution to the problem of employment, urbanization and efficient utilization of the demographic potential turns to the experience of Cuba.²⁸

Of course the creation of additional tens of millions of jobs, which make it possible to provide work not only for the surplus adult population, but also for the generations that are entering working age, is a difficult task which presupposes the mobilization of investments in an volume which considerably exceeds the annual accumulation fund even of the more developed Latin American countries. At the same time the essence of the problem consists not only in the question of capital investments, but also in the area of their application.³⁰

The approach which reduces the demographic factor exclusively to the production and technical aspect of the matter and measures its significance in terms of goals of industrial development is obviously limited. On the contrary, only its emancipation can be a measure of the transformation of reality. It correlates to the problem of population and overcoming backwardness not on a unilateral basis, but with the inexhaustible diversity of capabilities concealed in the demographic potential.

Speaking in Mexico at the World Conference on Problems of Population (1984), the eminent Mexican scholar A. Aguilar emphasized: "The thesis...that by reducing the population growth we will provide for general well-being is simplistic, subjectivistic, disorienting and erroneous. In antiquity and in the Middle Ages mankind grew very slowly and nonetheless suffered from terrible poverty." The accelerated dynamics of the population, poverty and famine in the modern developing world, in Aguilar's opinion, should be regarded not as a purely demographic or technical problem. "Its solution

requires an understanding of the limitations of the capitalist society in which we live and the need for transforming it into a society for everyone.... It is necessary to have the deepest transformation which will make it possible to increase the added product and organize employment efficiently, to raise the rates of economic growth, to achieve high productivity and to change the production relations themselves, the nature of the distribution of income and the structure of international economic relations."³¹

The demographic situation in the region is an integrated system of a special kind. On the one hand it is becoming more vulnerable to influences from the centers. We are speaking primarily about all the consequences of a technological nature. Releasing the demographic potential (the progressing qualitative and quantitative complex of human capabilities--the actual wealth of the society³²) has never been a goal in itself for capitalist countries, but only a condition for their own growth. This is manifested quite obviously in the growth of mass unemployment in the region. On the other hand, the demographic dynamics point out the need for searching for paths of development that are alternative to capitalism. Their possibilities consist in rejecting the capitalist principle of subordinating labor resources (noosphere) to the technosphere and the development of the latter on a principally different social basis which makes it possible to establish dynamic relations between the demographic factor, technology and nature, and to reach new goals of progress.

FOOTNOTES

2. According to data for the beginning of the 1980's, the countries of the region where the average annual rate of growth of the population was less than 2 percent included Argentina, Uruguay, Chile, Jamaica, Barbados, Trinidad and Tobago. Ranging within 2.0-2.7 percent growth rates were Brazil, Colombia, Guyana, Haiti, Mexico, Panama, Peru and the Dominican Republic. Rates of 2.7 percent and higher were observed in Bolivia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Venezuela. See: CEPAL, Anuario Estadístico de América Latina 1983. Santiago de Chile, 1984, p 57.
3. Compiled from: CEPAL, Anuario Estadístico de América Latina 1983. Santiago de Chile, 1984, pp 57, 59, 66, 67, 68.
4. The problem itself and the consequences of the "population explosion" have been analyzed in Soviet literature. See: LATINSKAYA AMERIKA: "A Population Explosion?" Ed. V. V. Vol'skiy, Moscow, 1971; Ya. N. Guzevatyy, "Problems of Population and Socioeconomic Development of Countries of Asia, Africa and Latin America," Moscow, 1970.
5. See for more detail: LATINSKAYA AMERIKA, No 3, 1985, pp 51-57.
6. Notas Sobre la Economía y el Desarrollo. CEPAL, Santiago de Chile, No 409/410, 1985.
7. Concerning the peculiarities of capitalist development in Latin America see: "Kapitalizm v Latinskoy Amerike. Ocherki genezisa, evolyutsii i

krizisa" [Capitalism in Latin America. Essays on the Genesis, Evolution and Crisis], ed. V. V. Volskiy, Moscow, 1983.

8. CEPAL. Review. Santiago de Chile, No 18, 1982, p 50.
9. For more detail see the article by Yu. G. Onufriyev in the present issue.
10. See: J. B. Gimeno, "Education in Latin America and the Caribbean: Trends and Prospects, 1970-2000," Paris, 1983, p 90.
11. Notas Sobre la Economía y el Desarrollo, January 1985, p 11.
12. Revista de la CEPAL, Santiago de Chile, 1984, No 23, p 110.
13. See: GRANMA, Havana, 17 December 1984.
14. Revista de la CEPAL, 1984, No 24, p 15.
15. CEPAL, Review, 1982, No 18, pp 118-119.
16. CEPAL, Proyecciones del Desarrollo Latinoamericano en Los Años Ochenta, Santiago de Chile, 1981, p 28.
17. Notas Sobre la Economía y el Desarrollo, No 397/398, Julio de 1984, p 5.
18. U.N. Patterns of Urban and Rural Population Growth, New York, 1981, p 159.
19. For more detail see: "Razvivayushchiyesya strany. Osnovnyye problemy ekonomicheskoy i sotsialnoy geografii" [The Developing Countries. Basic problems of Economic and Social Geography], ed. M. B. Gornung, Ya. G. Mashbits and V. A. Pulyarkin, Moscow, 1983, pp 78-83.
20. CEPAL, Review, 1982, No 18, p 118.
24. Concerning the content of the "new division of labor" see: L. L. Klochkovskiy, "Latinskaya Amerika v sisteme mirovykh khozyaystvennykh svyazey" [Latin America in the System of World Economic Ties], Moscow, 1984, pp 22-36.
26. Comercio Exterior, Mexico, Julio de 1984, p 623.
27. Centro de Proyecciones Economicas de la CEPAL la Absorción Productiva de la Fuerza de Trabajo: Una Polemica Abierta, Revista de la CEPAL, 1984, No 24, p 15.
28. See: Revista de la CEPAL, 1984, No 24, pp 35-36.
30. Of great interest from this standpoint is the special issue of the magazine PROBLEMAS DEL DESARROLLO (Mexico, No 84, No 57) which is devoted to problems of the interconnections between the scientific and technical revolution and overcoming backwardness.

31. Estrategia, Mexico, 1984, No 59, p 91.

32. Sec: K. Marx and F. Engels, "Soch." [Works], vol 46, part I, pp 247, 260, 476.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1985

11772

CSO: 1807/467

LATIN AMERICA AND CARIBBEAN

MEXICAN JOURNALISTS VISIT USSR LATIN AMERICA INSTITUTE

Moscow LATINSKAYA AMERIKA in Russian No 7, Jul 85 pp 110-111

[Article by A. B. Borisov: "Mexican Journalists--Guests of the ILA"]

[Text] Recent years have been marked by a further strengthening of Soviet-Mexican ties in various areas. Important landmarks on this path have been the celebration of the 60th anniversary of the establishment of diplomatic relations between the two countries and also the exhibition of the industrial products of the CEMA countries--CAMEXPO-84--which was held recently in Mexico.

The consolidation of friendship, mutual understanding and cooperation is promoted to no small degree by the familiarization trips of Mexican and Soviet journalists which have become traditional, during which representatives of the press, radio and television of the two countries receive a visual idea of the life, labor and achievements of the friendly nations.

In March of this year, at the invitation of the press agency NOVOSTI, the VAO Inturist and Aeroflot, our country was visited by a group of young Mexican journalists which included: Rodolfo Gonzalez Valderrama--information consultant for the ruling Institutional Revolutionary Party (PRI), Ivan Menendez, director of the newspaper PRIORIDADES and the magazine DIVULGACION, Carlos Menendez--economist, Silvia Durand Gasca--correspondent of the Mexican information agency NOTIMEX, Rogelio Guzman--director of the newspaper LA VOZ DE MICHOACAN (State of Morelia), Beatriz Pineda Menez--chief of the press division of the National Committee for Sports, Maria Cristina Pineda Menes--deputy director of the publication of medical journals, Yolanda Pineda--independent journalist, Pedro Miguel--the international division of the newspaper LA JORNADA, and Judit Alama--correspondent with Channel 13 on national television.

The Mexican journalists were received in the Institute of Latin America of the USSR Academy of Sciences. When greeting the guests, the institute's director, corresponding member of the USSR Academy of Sciences, V. V. Volskiy expressed the hope that this meeting would be another contribution to strengthening the friendship between the Soviet and Mexican peoples and would contribute to expanding contacts between the two countries.

In recent years, noted V. V. Volskiy, it has become more and more obvious that the countries of Latin America are taking the initiative in making decisions regarding vitally important issues. This is shown, in particular, by the Cartagena Conference of Heads of States and Governments in October 1984 and the increased activity of the "Contadora Group" for peaceful regulation of the situation in Central America. But imperialism continues to conduct a policy of dictatorship and blackmail in dealing with Latin America, striving to turn the serious economic problems that are facing the countries of the region into another factor of dependence. In order to find a way out of the deep economic crisis, active joint political actions on the part of all states of the region are needed. Latin American countries should know, V. V. Volskiy emphasized in conclusion, that the anti-imperialist struggle has always found and still finds resolute support on the part of the Soviet Union and the other socialist states.

Candidate of Economic Sciences P. N. Boyko, having pointed out the need to curtail the arms race, emphasized that at the present time mankind has no more important task than to extend peace throughout the earth and not to allow nuclear war. In this connection the attention of the guests was drawn to the latest peace initiatives on the part of the Soviet Union and the other socialist countries. Latin America, noted P. N. Boyko, has a great potential in the matter of defending peace.

Doctor of Economic Sciences, Professor L. L. Klochkovskiy emphasized that the positions of the Latin American countries in the international arena are steadily becoming stronger and they are becoming more active in solving the crucial problems of a global nature. The Soviet Union is in favor of expanding cooperation with states of the region in the most diverse areas. There are still unutilized reserves along this path: politically, Latin America has for a long time been practically isolated from the rest of the world, and above all from the socialist countries, while the United States has completely dominated in this region. Now this isolation is coming to an end and Washington is becoming nervous about the positions it is losing.

One of the main questions discussed at the meeting was the question of the foreign indebtedness of the Latin American countries. Doctor of Economic Sciences, Prof I. K. Sheremetyev noted that participants in the Cartagena Conference, aware of the need for a new fundamental approach to this problem, sent to Yu. N. Secretary General J. Perez de Cuellar a letter in which it is emphasized that the problem of indebtedness pertains not only to the debtors and the creditors, but also to the entire international community. At the same time the Latin American countries themselves are being limited to declarations and statements of the need to step up regional cooperation in this area.

In conclusion the Soviet scholars answered a number of questions pertaining to the basic prospects for Soviet-Mexican economics cooperation, the activity of

the "Contadora Group," and the possibilities of establishing a new international information system. The representatives of the magazine LATINSKAYA AMERIKA told the guests about the areas of work and the plans of the editorial staff.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1985

11772

CSO: 1807/467

LATIN AMERICA AND CARIBBEAN

WORK ON CUBAN ECONOMIC RESEARCH CENTER DETAIL

Moscow LATINSKAYA AMERIKA in Russian No 7, Jul 85 pp 125-126

[Article by V. V. Lunin: "The Cuban Center for Research on the World Economy"]

[Text] One of the leading scientific institutes of Cuba, the Center for Research on the World Economy (CIEM), during the more than 5 years of its existence has managed to accumulate interesting experience in the organization of research, to train its own personnel and to develop a number of problems that have received a high rating by the academic community. The center is actively developing ties with many related institutions and organizations of other countries. The magazine's correspondent in Havana, V. N. Lunin, asked the CIEM director, well-known Cuban international economist Oswaldo Martínez to discuss the center's activity.

The CIEM was established as a scientific institute that specializes in research in the area of international economic relations. From the time of its creation it immediately determined the fundamental directions of research, in keeping with which the center's organizational structure was formed. The CIEM has three divisions: developing, socialist and developed capitalist countries. The most important areas of scientific research have been designated in each of them. Thus, for example, in the division for socialist countries special attention is devoted to studying the socialist integration within the framework of the CEMA, Cuba's participation in this process, and the realization and practice of the principle of equalization of the levels of development of the CEMA countries. The results of the work are published in the "Annual of Economic Research" which is put out by the center.

In the division for developing countries they study questions related to the deepening of the general crisis of the world capitalist system and its influence on the states of Asia, Africa and Latin America, and also problems related to the struggle for establishing a new international economic policy. In the division for developed capitalist countries they investigate the nature of the development of the leading capitalist centers. In this same division is a group that specializes in the study of the economy of the United States.

The CIEM puts out a journal entitled "Problems of World Economics and a Bulletin in which it publishes announcements which are sometimes augmented with commentary from associates of the center. Recently the CIEM began to publish a new journal entitled "Economic Problems of the Countries of Socialism" and it has two more books in print. Under the aegis of the UN Economic Commission for Latin America (ECLA), the CIEM has prepared a report on the experience in eliminating poverty in Cuba. The CIEM deserves special credit for the participation of its associates in the preparation of the book by F. Castro, "The World Economic and Social Crisis." The works of scientists of the center are always being published on the pages of the organ of the Central Committee of the Communist Party of Cuba--the magazine SOCIALIST CUBA.

The research collective of the CIEM is not large--only 15 people. Some of them teach at Havana University. But the center has the support of the "National Group of Associates," which includes about 60 people. It includes ministers, officials of various organizations, and professors of universities with which regular scientific ties are maintained. Three years ago they began the practice of holding monthly scientific and practical conferences in which a CIEM representative gives a paper on one of the crucial subjects in its international economic relations, and then a discussion is conducted. Such "round tables" make it possible for workers of the center to stay in contact with workers of other institutions.

During the time of its activity the CIEM has conducted a number of international symposiums on various problems of developing, developed capitalist and socialist countries. In September 1984 it organized an international seminar on the issue of the economic crisis in Latin America. Participating in it were specialists from the Institute of Economic Research of the National Autonomous University of Mexico (UNAM), the Madrid Institute of Ibero-American Cooperation, and Nicaraguan researchers. In April 1984 the CIEM organized an international scientific conference in which economists from academic institutes of the socialist countries participated.

The CIEM maintains extensive scientific ties with socialist countries. The closest contacts are being dealt with Soviet academic institutes--primarily the Institute of Latin America and also the Institute of World Economics and International Relations, the Institute of the United States and Canada, and the Institute of Economics of the World Socialist System. In Latin America the center has formed durable scientific ties with many research institutions of Mexico, Venezuela, Colombia and Argentina. In the United States the CIEM has contacts with Johns Hopkins University, the Council for Foreign Relations, Boston University and also other organizations. In 1984 the CIEM, with the participation of American economists, organized an international seminar on the subject "The Economic Crisis and the Modern Position in the American Economy." Scientific ties are also maintained with West European researchers.

The CIEM is now carrying out a project subsidized by the UN for creating an information center for international economic relations. This project is

especially significant for Cuba since it will make it possible to increase the productivity of the scientific research. It is assumed that the information center under the CIEM will begin operation in 1985.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1985

11772

CSO: 1807/467

LATIN AMERICA AND CARIBBEAN

SCHOLARS DISCUSS WORK ON LATIN AMERICAN CAPITALISM

Moscow LATINSKAYA AMERIKA in Russian No 7, Jul 85 pp 127-131

[Discussion of book: "Dependent Capitalism--A Reality of Latin America." For review of this book see JPRS Report Political and Sociological Affairs UPS-85-007 of 30 Jan 85 pp 30-39]

[Text] A discussion of the book "Kapitalizm v Latinskoy Amerike" [Capitalism in Latin America]¹ was held in Leningrad. Participating in it were specialists from Leningrad State University imeni A. A. Zhdanov (LGU), the Leningrad State Pedagogical Institute imeni A. I. Gertsen (LGPI), the Leningrad Electrotechnical Institute of Communications imeni M. A. Bonch-Bruyevich (LEIS), the Leningrad State Institute of Culture imeni N. K. Krupskaya (LGIK), the Leningrad Institute of Soviet Trade imeni F. Engels (LIST), the Higher Naval Engineering Order of Lenin School imeni F. E. Dzerzhinskiy (VVMIOU) and other scientific and pedagogical centers of Leningrad. In the introduction the chairman of the authors' collective, chief of the division of economics of the ILA of the USSR Academy of Sciences, Doctor of Economic Sciences Prof L. L. Klochkovskiy discussed the work on the monograph and elucidated its main theoretical tenets.

Docent V. A. Lyalin (LGU) noted that the object of analysis in the work under discussion is those countries of Latin America in which capitalist relations have already been established. With a great deal of factual material the authors show the origin and development of capitalism in the main states of the region, from the period of the initial accumulation up until our day. They have also revealed the general features that are typical of all countries of the region as well as the peculiarities in individual countries of the process being studied.

Among the undoubted successes of the collective of authors Lyalin includes the in-depth development of the concept of dependent capitalist development. The book clearly shows that developing along this path inevitably leads to increasing the scale of exploitation. A positive evaluation should also be given to the fact that the analysis of the development of capitalist relations involves an investigation of those problems which are facing developing countries during the construction of the national economy (overcoming economic backwardness, forming the industrial sector, trying to utilize scientific and technical achievements and accelerate the rates of economic growth, and so

forth). The investigation of the issues which are now the object of a keen ideological struggle essentially enriches the book, augments it with concrete content and makes it possible to reveal consistently, profoundly and comprehensively the contradictions of dependent capitalist development as well as to point out the hopelessness of this path and reveal the antinational, reactionary essence of the activity of international monopolistic capital, particularly the TNK [multinational corporations].

In Lyalin's opinion, it is to the author's credit that they raised issues of the growing of Latin American capitalism into the monopolistic stage and the development of state monopolistic tendencies. Attention should be given to the point about the role of foreign capital and the formation of the elements of state monopolistic capital. This problem, as the speaker emphasized, was not sufficiently developed by the authors. When analyzing the scope of the penetration of foreign capital into the countries of Latin America at the present time and the attitude toward this on the part of the national bourgeoisie, more attention should be devoted to those technological ties which arise between the TNK and local capital.

As Docent A. Ya. Linkov (LGPI) emphasized, the significance of the research under consideration is conditioned in particular by the posing of general problem of the genesis, peculiarities and contradictions of capitalism which are important for studying all the liberated countries that are following the capitalist path. This problematic is combined with a successful attempt at typologizing Latin American capitalism. The book has formulated the indicators that make it possible to determine it as independent, as distinct from "classical" capitalism. This peculiarity of Latin American capitalism is traced both in the general chapters and the ones on particular countries. The merit of the book is that the authors focus on the processes of the change in forms of dependency, their evolution within the framework of the world capitalist economy (p 14). Additionally, they reveal the tendencies toward opposition of private national capital to the foreign sector in the economy.

When discussing the question of the entry of Latin American countries into the stage of monopolistic capitalism, the authors justifiably write about the existence of only individual structural elements that are inherent in the highest phase of capitalism (page 52). In violation of the classical sequence of the change in stages of capitalist development, specific features are manifested in its evolution in developing countries. It is noted in the book that the increased role of the state in the countries of the region is not the same as its growing along with the monopolies into a unified mechanism, which is typical of state monopolistic capital. At the same time, along with an analysis of the role of the state in the process of the formation of national monopolies, it would be interesting to trace the contradictions in the interrelations between state and local private capital.

Modern tendencies in the activity of foreign capital are investigated in detail in the work. But, in Linkov's opinion, they should discuss in greater detail the deeply contradictory nature of the factors that draw it into the countries of the region. Taking into account the high "threshold" level of capital investments, without the participation of foreign investors a number of branches of heavy industry in Latin America could not function. Moreover,

in the process of industrialization which replaces imports, the formation of enclaves in the foreign sector has decreased to a certain degree. The problem of rearranging the branch structure through external factors of industrialization was not sufficiently elucidated either. Of great interest are the chapters devoted to the specific features of the development of capitalism in individual states, where the theoretical points of the first chapter are concretized with extensive material. But the criteria whereby only six countries of the region were selected for investigation remain unclear.

Docent Ye. S. Slesarev (LEIS) noted that it is to the credit of the collective of authors that they analyze the peculiarities of the development of capitalism in Latin America and its distinctions from the "classical" type of capitalism. Slesarev thinks that the book contains certain points that are questionable. Thus when pointing to the uniqueness of the appearance of national monopolies one should fully take into account the law of origin of "monopolies of concentration of production."² An underestimation of this law leads to a situation where the monopolies given in the work as examples are not really monopolies in the true political and economic sense.

The enlistment of Latin American countries in international economic relations is justifiably regarded in the context of the deep changes both in the system of world economic ties and in the nature of the economic basis of the leading capitalist countries. But not enough attention was devoted to a study of the reverse influence of the changes in the economies of Latin American countries on the reproduction processes in the states of developed capitalism. A more detailed investigation of these problems is dictated by the need for substantiated criticism of bourgeois concepts of the "mutual dependency" of industrially developed and developing countries.

As was emphasized by Candidate of Economic Sciences N. P. Drozdova (LGIK), one merit of the book is particularly its skillful combination of investigation of problems of the development of capitalism in individual countries and interesting theoretical generalizations. This pertains first and foremost to the determination of the position of Latin America in the modern world. It is correctly noted in the monograph that Latin American countries belong to a group of developing states with an average level of development of capitalism. As the authors write, dependency on the imperialist centers determines the critical condition of the economy of Latin American states in the modern stage and the contradictory nature of their economic and social development. The fruitfulness of such an approach is obvious, but when applying it one should not overestimate the role of external factors in the economic development of the region. While retaining dependency and in certain areas even increasing it, the internal factors in national development, in Drozdova's opinion, are playing an ever larger role in all spheres of public life.

Candidate of Economic Sciences V. D. Doktorov (LIST) noted that in Soviet economic literature for a long time there has been the opinion that during the colonial period in Latin America feudalism reigned. The fact that the authors of the monograph hold to a different viewpoint, advancing the concept of more than one system in the colonial economy, places the work under consideration in the category of important historical-economic research. Without limiting

themselves to an analysis of economic structures of the countries in the region, the authors advance the idea of three stages of genesis and establishment of capitalism in Latin America (pp 27-28). Although the chronological frameworks of these stages can vary depending on the peculiarities of the development of individual Latin American states, Doktorov thinks, on the whole there is no doubt about the proposed periodization. This is the first time that such a division of the stages of the genesis and establishment of capitalism with respect to the countries of Latin America has been presented in Soviet economic literature.

Along with the analysis of the genesis and evolution of capitalism, the monograph comprehensively considers the current stage in its development, which is characterized by a strengthening of processes of industrialization and internationalization of the economy and an ever deeper influence on this group of countries exerted by the general crisis of capitalism. The monograph "Capitalism in Latin America" is crucial and timely for on its pages they analyze problems and processes without which it is impossible to understand the pattern of the development of the modern world capitalist economy.

Assistant A. I. Polyanina (VVMIOU) noted that during past years in Soviet literature there have been a number of discussions about the nature, peculiarities and level of development of capitalism in Latin America. This problem is becoming especially crucial since we are speaking about a kind of "summing up of results" of the extremely lengthy development of countries that have been liberated from colonial dependency and are following the path of capitalism. This makes it possible to determine not only the prospects for the development of Latin America, but also those of the countries of Asia and Africa. The conclusions from the analysis of this problem are a basis for developing a strategy and tactics for the struggle of progressive forces for national and social liberation.

The book under consideration is a weighty contribution of Soviet researchers to the development of the concept of dependent capitalist development. The authors correctly consider economic dependence to be the determining and the most essential feature of the development of capitalist countries on the continent. The work convincingly shows that dependency deforms the process of expanded reproduction. The reverse side of the economic progress of the states of the region is the diversification of forms of their economic exploitation by imperialism.

One important idea is that with dependent capitalist development there is an immense separation between economic and social progress. This approach makes it possible to determine the reasons for the inability of the ruling circles of Latin American countries to solve the crucial sociopolitical problems that are conditioned by the historical limitedness of the dependent path of development. A most important result of the theoretical investigation and concrete analysis of the chapters dealing with specific countries is the conclusion concerning the deep crisis of developed capitalism which is a part of the overall crisis of the capitalist system.

At the same time, Polyanina continues, the idea of the system-forming function of foreign capital in the development of capitalism in Latin America seems

somewhat one-sided. There is no doubt that it has played an extremely important role in the development of the economies of the Latin American countries from the time of the initial accumulation up until our day. But hyperbolization of this can lead to inadequate attention when investigating the significance of the state sector. Nor must one underestimate the position of the national private capital. It would be desirable to formulate more clearly the definition of the structural crisis which, in the view of the authors, embraces all the most important aspects of the life of the modern Latin American society (p 73). When describing this concept it seems expedient to reveal its relationship to the category of the overall crisis of capitalism.

Graduate student V. I. Zhiron (LGPI) touched on the problem of dependency as one of the constituent parts of the overall neocolonial policy of imperialism in Latin America. In his opinion, the "models" of economic development applied during the past 2 decades in the leading countries of the continent were imposed from outside to one degree or another. Realizing them is a part of the global strategy of imperialism which is directed toward drawing the Latin American states into the system of world capitalism as a subordinate and dependent part.

The goal of the "model" of capitalist modernization is to "raise" the level of development of capitalism in the periphery up to the requirements of developed capitalist countries. Imperialism and its shock force--the TNK--utilizing the economic policy of the ruling circles of the states of the region, is trying to strengthen its positions there and be integrated into their socioeconomic structure. One of the mechanisms of neocolonialism in Latin America is the monetaristic experiments which are being conducted mainly in the countries of the southern hemisphere. Serious difficulties of a socioeconomic nature which are being encountered by states of the region that have applied in practice the monetaristic formulas show the reactionary essence of the concepts of neoliberalism. A radical rearrangement of the structure of national economies lies as a heavy burden on the shoulders of the workers and is called upon to adapt economic structures of the Latin American countries to the needs of the imperialist centers. Moreover the currently existing system of dependency and exploitation is not only being retained, but is also being reinforced. Thus the theoretical conclusion of the authors of the book under review is confirmed in practice.

Summing up the results of the discussion, Doctor of Economic Sciences, Prof N. S. Babintseva (LGU) noted that the basic idea of the monograph, concerning the dependent type of capitalism in Latin America, can be extended to all developing countries that are following the capitalist path of development. Herein lies the general theoretical significance of the work under review by the ILA of the USSR Academy of Sciences. The authorial collective, having concentrated attention on the problem of dependency, investigated primarily the foreign economic aspects of the capitalist development in Latin America. For a deeper analysis of the dependent type of capitalism it is also necessary to consider problems of its internal structure, which have already been fairly profoundly developed with respect to Afro-Asian countries.

Of course the author's approach, which is characterized by primary attention to external factors, has a right to exist. In the first place, the enlistment in the world capitalist economy and dependence on foreign capital have played an immense if not a decisive role in the genesis of capitalism in developing countries. Second, the currently increasing tendencies toward internationalization of economic life increase the significance of external factors. But at the same time in developing states there is also an opposing tendency--toward consolidation of national reproduction complexes. In essence this is precisely what reflects the desire to achieve economic independence which was frequently embodied in the activity of the national bourgeoisie, which in Latin America during the 1970's had an active influence on anti-imperialist attitudes.

When analyzing the typological peculiarities of dependent capitalism it is necessary to study more deeply the processes related to the formation of the domestic market, the national reproduction complex, and anti-imperialist potentials of national capital. These problems are considered in the book under review as in other research of the ILA, but it would be desirable for specialists to pay more attention to them. This would enrich the theory of dependent capitalism. There would be a clearer expression of the heterogeneity and the internal contradictions between individual entrepreneurial groupings, the formation of which in developing countries, being the result of capitalist competition, also reflects the desire to achieve economic independence. After the downfall of the colonial system of imperialism, under conditions in which the role of liberated states in the world has increased, a typological peculiarity of dependent capitalism, Babintseva emphasized, is the generation of elements of independence while retaining external dependency. This has already been noted in one of the fundamental works of Soviet specialists on problems of developing countries.³

On the whole the work under consideration is a serious and theoretically important work which has significance that goes beyond the framework of the Latin American region. A continuation of research which develops the concept of dependent capitalism and further work on the typology of its establishment and development constitute an important task for Soviet scholars, and particularly Latin American experts.

FOOTNOTES

1. "Capitalism in Latin America. Essays on the Genesis, Evolution, and Crisis," Prof V. V. Volskiy, Moscow, 1983. Review see: LATINSKAYA AMERIKA, 1984, No 9, pp 133-140.
2. V. I. Lenin, "Poln. Sobr. Soch." [Complete Collected Works], Vol 27, p 315.
3. "Zarubezhnyy Vostok i Sovremennost" [The East Abroad and Modernity], Moscow, 1981, Vol III, p 360.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1985

11772

CSO: 1807/467

LATIN AMERICA AND CARIBBEAN

BOOK ON U.S. 'IMPERIALIST COURSE' IN CENTRAL AMERICA REVIEWED

Moscow LATINSKAYA AMERIKA in Russian No 7, Jul 85 pp 131-132

[Review by V. P. Paramonov of the book "Zagovor protiv narodov tsentralnoy ameriki" [A Plot Against the Peoples of Central America] by I. M. Bulychev, Moscow, "Mezhdunarodnyye otnosheniya", 1984, 128 pp]

[Text] The new book by I. M. Bulychev is a logical continuation of his research work on revealing the mechanism of imperialist intervention into the internal affairs of countries of the Central American subregion and primarily the essence and nature of the undeclared war against revolutionary Nicaragua. The historian's three preceding works are devoted to the difficult struggle of the peace-loving people of this country, who have received a challenge from the mightiest power of the West.

In the book under review attention is concentrated on the most important achievements of the Nicaraguan revolution, which are unacceptable to official Washington and, as a result, have turned Nicaragua into an object for its aggressive attacks. Events in this country are considered in close interconnection with the processes taking place in other countries of the region--Honduras, El Salvador and Guatemala, where antipopular regimes are in power. Today Nicaragua is an example for all of Central America; and neither the feverish supplying of the armies of neighboring countries with new weapons nor the tricks of American diplomacy trying "to find a reasonable compromise" as they once tried to retain "Somozaism without Somoza" can break the will of the Central American fighters for freedom and social justice, writes Bulychev.

In Washington nonetheless they do not wish to admit this. The "confrontation between East and West," the "intrigues of international communism," the "destabilizing influence of the Sandinistas," and, finally, simply the "threat to the security of the United States"--these are the knowingly false pretexts under which the United States is increasing tension in this region of the world. The plot against the revolution is multifaceted. Leafing through the pages of Bulychev's book, the reader sees how step by step the White House is approaching catastrophe under the name of "Central American Vietnam"--from the diplomatic "disapproval" of what is supposed to be the "too radical" Sandinista leadership, political pressure on the "intractability" of the Salvadoran patriots, the "policy of nonintervention" in the bloody deeds done by the Guatemalan [Kaibils] on the land of the Indians of the "country of the

Quetzal"--to the attempts on the lives of Nicaraguan leaders, mass deliveries of the most modern weapons to the dictators and the participation of U.S. military servicemen in punitive operations against the peaceful population of the states of the region.

The government of the United States is allotting more and more millions of dollars for covert operations against Nicaragua, is arming "contras" trained by American instructors and sending them to the Nicaraguan land, is sanctioning the startup of new subversive centers of the "psychological war" and is increasingly militarizing the countries that are Nicaragua's neighbors.

The imperialist course of the American administration, in spite of its mighty arsenal of means of pressure and intervention, is causing a reverse reaction, as Bulychev shows. The solidarity movement with Nicaragua is becoming more and more widespread among the struggling nations of Central America. Today the United Nations, the nonaligned movement, influential international social organizations, countries of the "Contadora Group," the Socialist International and progressive church figures are coming out against Washington's aggressive policy in Central America. In the front ranks of the world anti-imperialist movement, in the vanguard of solidarity with nations of Central America that are fighting against foreign intervention are the states of the socialist community.

It is noted in the book that the Soviet people along with all honorable people of the planet are waging a battle for the triumph of democracy and for the elimination of any forms of oppression.

FOOTNOTE

1. "Nikaragua na puti natsionalnogo vozrozhdeniya" [Nicaragua on the Path to National Restoration], Moscow, 1980; "Nikaragua segodnya" [Nicaragua Today], Moscow, 1983; "Nikaragua: Uspekhi i trudnosti revolyutsii" [Nicaragua: Successes and Difficulties of the Revolution], Moscow, 1984.

COPYRIGHT: Izdatelstvo "Nauka", "Latinskaya Amerika", 1985

11772

CSO: 1807/467

85.05.008

ABSTRACT OF BRUTENTS BOOK ON FALKLANDS

Moscow OBSHCHESTVENNYYE NAUKI V SSSR, SERIYA 1: PROBLEMY NAUCHNOGO KOMMUNIZMA (REFERATIVNYY ZHURNAL) in Russian No. 5, 1985 pp 44-46

[Abstract of article "Konflikt v yuzhnoy atlantike: Nekotoryye posledstviya i uroki" /Conflict in the South Atlantic: Certain Consequences and Lessons/ by K. N. Brutents, as published in the book "Malviny: Kolonialnaya vojna XX veka" /The Malvinas: A Twentieth-Century Colonial War/, USSR Academy of Sciences, Latin America Institute, Moscow, 1984, pp 8-29/

[Text] The Anglo-Argentine conflict occupies a special place in the development of the present-day international situation. During the postwar period the imperialist power of the UK [United Kingdom] has been the first to unleash acts of war against a Latin American state; their goal was to retain their own colonial possessions. This action was supported by all the principal imperialist powers, above all, by the United States, whereas Argentina found support among the overwhelming majority of the Latin American countries. This testifies to a solution to this problem outside of the framework of the relations between the two states concerned and beyond the boundaries of the region concerned (p 8).

Constituting the basis of this conflict was the attempt by the UK to retain the Malvinas Islands, where a great deal of data affirms the presence of abundant petroleum reserves, within the sphere of its own influence. The conflict was, in fact, prepared by the obstructionist course followed by the UK, which had underestimated Argentina's determination to restore its own sovereignty over the islands.

In supporting the UK, the United States opposed the anti-colonial, anti-imperialist struggle of Argentina, which reflected the general trend toward strengthening the independence of the Latin American countries, whereas the military-strategic plans of the United States also included their attempt to keep these islands under the control of its NATO ally.

The approach of the imperialist strategists with regard to the military actions boiled down to evaluating the effectiveness of utilizing weapons applicable to a "big war." The Latin American countries regard the conflict from the viewpoint of the national security of these countries. They consider that the Malvinas events influence the policy in the military sphere of the Latin American states, as well as that of the developing states in general, which had previously received weapons from the United States and other imperialist

On the historical level, this conflict revealed and demonstrated the objective position of the Latin American countries within the system of present-day political and economic relations, as well as the opposition of their interests to the interests of the imperialist states.

The Anglo-Argentine conflict has shown that the big imperialist powers fully apply economic sanctions, utilizing therein their own economic superiority, against the developing countries, even those which are proceeding along the capitalist path, as soon as such countries begin to defend their own national interests and their own sovereignty.

The active line taken by the socialist countries in support of the process of decolonization and solving the problem of the Malvinas Islands by means of negotiations has evoked a favorable response in the countries of the continent, facilitated a growth of sympathy among the masses of people toward genuine socialism, and led to a strengthening of the attitudes in favor of expanding political and economic ties with the USSR and the other socialist countries not only among the public-at-large but also among many governments of the Latin American countries (p 22).

COPYRIGHT: INION AN SSSR

2384

CSO: 1807/64

CHINA/FAR EAST/PACIFIC

ECONOMIC ASSISTANCE TO DPRK

Moscow INTERNATIONAL AFFAIRS in English No 9, Sep 85 pp 22-28

[Article by A. Muratov]

[Excerpts] Forty years ago the route of Nazi Germany and militarist Japan saved the world from enslavement by the most reactionary section of imperialist forces. The defeat and unconditional surrender of those two countries demonstrated the futility of imperialist plans to attain world domination. They also proved, yet again, that socialism as a social system is invincible, and showed its advantages and its tremendous economic, sociopolitical and spiritual potential.

In May 1945, the Soviet people and its Armed Forces scored the historic victory over Nazi aggressors, and then meeting the allied commitments, dealt a crippling blow at Japanese militarism. The Soviet Union made a decisive contribution to the Great Victory over Nazism and militarism. The Soviet Armed Forces acquitted themselves with honour in the course of their liberation mission in Europe and Asia, performing a feat of epoch-making significance.

Over the past years, Soviet-Korean trade, economic, scientific, technological and cultural cooperation has expanded and acquired new content and organizational forms. A number of treaties regulating the areas and extent of cooperation have been concluded. In 1967, a Soviet-Korean inter-governmental consultative commission on economic and scientific and technological questions was set up, and a system of rendering assistance on the product-pay-back basis introduced. The legal foundation of bilateral cooperation has been consolidated, and the mutually beneficial exchanges between the two countries have become more effective. In the mid-1970s, the planning bodies of the USSR and the DPRK began to coordinate their five-year trade and economic cooperation plans. At present, work to synchronise the cooperation plan for 1986-1990 is being completed.

A prominent part in the economy of the DPRK belongs to enterprises built with Soviet technological assistance. Enterprises within this category built in the DPRK in the 1970s enhanced the country's generation of electricity by 40 per cent, and the production of coal and steel by 30 per cent each, rolled metal by 40 per cent, and nitric fertilizers by 25 per cent. In 1982 the enterprises built in people's Korea with Soviet assistance produced about 63 per cent of the country's electricity, 33 per cent of steel, 11 per cent of cast iron, 38 per cent of rolled ferrous metal, 50 per cent of petroleum products, 20 per cent of fabrics, 14 per cent of chemical fertilizers, and 42 per cent of fabrics, 14 per cent of chemical fertilizers, and 42 per cent of iron ore.

As of late 1982, direct Soviet aid has allowed the DPRK to restore, modernize or construct 61 economic facilities, including 34 industrial enterprises; 9 more were being built or reconstructed on long-term credit. Among the major enterprises built with Soviet assistance are the Pyongyang and the Pukchang thermal power stations, the Kim Chak Iron-and-Steel Works, a storage battery plant, a micro-electric engine-building factory and an aluminium plant.

The development of trade and production cooperation on a product-pay back basis allows the DPRK to extend the range of its export goods and diversify its economy, and provides favourable conditions for the country's greater participation in the international division of labour. The USSR receives rolled quality steel from the Chongjin Steel Works, hot-rolled plate from the Kim Chak Iron-and-Steel Works, and ammonium nitrate from the fertilizers producing factory in Hungnam. The USSR also receives Korean-made enamelled wire and automobile batteries.

An important form of mutually beneficial economic cooperation between the USSR and the DPRK is trade, which is conducted on a planned long-term basis. The structure of trade meets the interests of both the USSR and the DPRK, ensuring that each country has a chance to sell its products. Specifically, imports from the USSR satisfy a considerable part of the DPRK's demand in complete plant, bearings, petroleum products, ores, cotton, and some other goods. In its turn, the USSR buys from the DPRK rolled ferrous metal, magnesite clinker and other export goods. In the preceding five-year plan period (1976-1980), the USSR imported from the DPRK 49 million roubles worth of machinery and equipment, 216 million roubles worth of rolled ferrous metal, 2.2 million tons of magnesite clinker, and 55 million roubles worth of clothes. In the first three years of the current five-year period (1981-1983) the USSR received from the DPRK 59 million roubles worth of machinery and equipment, 196 million rubles worth of rolled ferrous metal, 1.5 million tons of magnesite clinker, and about 113 million roubles worth of clothes. Over the same period, the USSR exported to the DPRK 200 million roubles worth of machinery and equipment, 257 million roubles worth of petroleum products, 63,000 tons of manganese ore, 25,000 tons of cotton fibre and other goods.

In 1981-1983, trade turnover between the USSR and the DPRK reached 1,800 million roubles, which is 78 per cent more than in the corresponding period of the preceding five-year plan. In 1984, trade turnover between the two countries rose by over 17 percent, reaching 712.8 million roubles.

Cultural contacts between the USSR and the DPRK have also been developing apace. They include exchange of art groups, and regular contacts between creative artists' unions, public organisations, and scientific and educational establishments. Active exchange has been going on between Soviet and Korean cinema workers. To mark the anniversary of Korea's liberation, they have produced a joint film. At present several hundred Korean citizens attend Soviet institutions of higher learning. In 1984, for one, about 400 Korean students, post-graduates and trainees were sent for studying in the USSR. A protocol on cooperation between the USSR Ministry for Higher Education and the DPRK Committee on Education has been recently signed in Pyongyang which provides for an increase in the number of Korean students and post-graduates receiving an education in the

Soviet Union, and for rendering assistance in upgrading the qualifications of Korean workers in science, education and the national economy.

Solid headway has been made in scientific cooperation and information exchange. A great deal of work in promoting understanding and friendship between the Soviet and the Korea peoples is done by friendship societies.

COPYRIGHT: Obshchestvo "Znaniye", 1985
English Translation Progress Publishers 1985

/8309
CSO: 1812/38

CHINA/FAR EAST/PACIFIC

SOVIET AIRCRAFT FIRM TO EXHIBIT AT BEIJING FAIR

OW170542 Moscow Radio Peace and Progress in Mandarin to China 0400 GMT 15 Oct 85

[Excerpts] Listeners, we continue our series on Soviet participants at the Asian-Pacific Regional International Fair, to be held in Beijing 15-30 November. Today, we introduce the All-USSR Aviation Equipment Import-Export Corporation.

We now ask Comrade (Stujiligin), manager of the corporation, to give a talk on the trade relations between the All-USSR Aviation Equipment Import-Export Corporation and Chinese aviation firms.

[(Stujiligin) in Russian, fading into superimposed Mandarin translation]: Since the beginning of our corporation, the number of aircraft we have supplied to the People's Republic of China has been constantly increasing. We have supplied China with aircraft of all the types we sell. They are Il-12, Il-14, Il-18 and passenger and cargo aircraft of many other types. In the spring of 1985, we signed a contract with China supplying Tu-154M passenger aircraft. All these aircraft have been operated in China. In addition to aircraft, we supply China's aviation firms with spare parts, precision instruments and meters, and aircraft maintenance experts.

In the days to come, we plan to cooperate actively with China's aviation firms. We shall negotiate with China on the sale of Yak-42 passenger aircraft.

Next, Comrade (Irkov), one of the personnel of the All-USSR Aviation Equipment Import-Export Corporation in charge of the corporation's exhibition in Beijing, will give a talk on the products to be displayed during the fair.

[(Irkov) in Russian, fading into Mandarin translation]: We are happy that the All-USSR Aviation Equipment Import-Export Corporation is taking part in such a large fair. We plan to display advertisements for Soviet aeronautical products, and models of modern air materials. For instance, the Soviet articles on display will include Il-76, An-32, An-72 and other types of passenger and cargo aircraft, and helicopters. In particular, I would like to discuss the Mi-26 helicopter. It is the representative of the Soviet new-generation heavy helicopter-transport. It can transport 20 tons of bulky cargo and technical

equipment. It can be used in building bridges, transporting and assembling heavy industrial equipment, and building derricks and power transmission cable towers in inaccessible, outlying regions.

In the Beijing fair, we shall display recreational planes and delta-winged aircraft. In the later stage of the fair, we shall hold a flying demonstration of the Il-86 wide-body passenger plane. It will show its paces over airfields in various parts of China.

/12712

CSO: 4005/222

CHINA/FAR EAST/PACIFIC

SOVIET-PRC COOPERATION IN UN HIGHLIGHTED

OW272207 Moscow in Mandarin to China 0700 GMT 24 Oct 85

[Station commentator Shakov's talk on the 40th anniversary of the United Nations]

[Text] On the occasion of the 40th anniversary of the United Nations, we wish to point out that the establishment of the world organization was one of the major victories won by the freedom-loving people over German fascism and Japanese militarism. Today, we can also point out with satisfaction that despite the fact that great changes have taken place in this world there has been no world war during the past 40 years. The world socialist system has been established and is successfully developing. Owing to its social and political nature, the countries under the system are not interested in war.

Within a very short period, the colonial system has been dissolved. More than 100 new nations have emerged on its ruins.

During the 40 years following the world war, the Soviet Union and other socialist countries and all peace-loving forces have firmly and persistently waged struggles to consolidate peace, promote arms reduction and eliminate the threat of thermonuclear war. The Soviet Union has always advocated the signing of agreements renouncing the use of any large-scale destructive weapons, reducing and totally destroying such stockpiled weapons, and reducing other armament and troops.

Our country has put forward the proposals for general and complete disarmament under strict international supervision. Regretfully, the opposition of the United States and other imperialist powers obstructed the realization of those proposals.

Because of their rejections of following the examples of the Soviet Union and the People's Republic of China, the threat of nuclear war is still engulfing the world. We all know that the PRC has unilaterally assumed the obligation of not being the first in using nuclear weapons. In this respect, we can point out with satisfaction that, in discussing many important international issues in the United Nations General Assembly, the viewpoints of the Soviet Union and other socialist countries are often in accord with the PRC's positions.

In defending the world people, the Soviet Union has spared no efforts to safeguard the security of people in all regions, including the security of Asia's people. The Soviet Union's efforts are particularly significant since the sound of artillery and bombing has never stopped in Asia in nearly all those years following the ending of the world war.

From the beginning of the establishment of the PRC, the Soviet Union has defended the Chinese people's achievements in their struggle against imperialist aggression. As early as 25 November 1949, the Soviet representative in the UN Political Committee demanded the invitation of a full representation from China and the expulsion of the Chiang Kai-shek clique from the United Nations. Due to opposition by the United States and its allies, the just solution of this issue could not be realized for many years. During the period, the Soviet Union and other socialist countries adhered to the stand that there is but one China, the PRC, and that Taiwan is a province of China. For many years, our country rejected the "two China's" policy pushed by the U.S. ruling clique. Incidentally, even today Washington still has not given up this policy. This can be proven by Washington's political, economic, and military ties with Taiwan.

In the course of U.S. aggression against Asia, the Soviet and Chinese people in the past 40 years have for many a time taken joint action to repulse the schemes of the imperialists. Precisely because of such united action, Washington was not able to realize its plan of dominating Asia. The U.S. ruling clique's war of aggression against Korea was a vivid example. Imperialism suffered a defeat in this war. The U.S. adventure against the Indochinese people also ended with defeat. The peace-loving forces in Asia defended the victims of aggression. Throughout those years, we could hear the Soviet Union's voice in the United Nations condemning those countries which interfered in other countries' affairs with force and calling for united action to repulse imperialist aggression.

The people in various Asian countries are still in a difficult period. With U.S. support, Israel is continuing its genocidal policy against the Arab people. The U.S. ruling clique is continuing its undeclared war against the people of Afghanistan and Cambodia. The United States is helping Japan expedite militarization and is expanding its armed forces in the Asia-Pacific region.

Regretfully, the U.S. actions have often received support from certain groups in Asia. In the United Nations, they have also supported the U.S. spying organization under the cover of the so-called "Democratic Kampuchea," the vicious campaign against Afghanistan by the United States and its allies, and the imperialist fabrication that the USSR is threatening Asia and expanding there.

On the occasion of the 40th anniversary of the United Nations, the people of various countries have clearly seen the necessity of making new efforts to promote peace on earth, including peace in Asia.

The following sentence, which responds like an oath in the UN charter, says:
We, people of all countries in the United Nations, are determined to make
efforts to eliminate the scourge of war for the future generation.

Let us all struggle for the realization of this slogan.

/12712

CSO: 4005/222

CHINA/FAR EAST/PACIFIC

MOSCOW LIKENS AFGHANISTAN TO KOREAN WAR

OW280637 Moscow Radio Peace and Progress in Mandarin to China 0400 GMT 26 Oct 85

[Text] In the past few days, grand celebrations were held in People's Korea to commemorate the 35th anniversary of the entry of Chinese People's Volunteers [CPV] into Korea to resist U.S. aggression. Station observer Bolov writes on this occasion: A mass rally was held recently, in Pyongyang to welcome former CPV delegations. Speaking at the rally, General Pak Chung-kuk pointed out that the CPV joining the fight was an outstanding example of proletarian internationalist assistance to the Korean people. This is a very appropriate appraisal.

The Korean people's war of resistance against U.S. aggression was not only a test of the strength of the people's democratic system, the strength and unity of the Korean working people, and the efforts of the Workers' Party of Korea to lead the people of the whole country in their struggle; it also served as a test of the principle of proletarian internationalism. Socialist countries' aid to the Korean people stood the test. Their all-out assistance was an extremely important factor contributing to the change in the battle situation which had been quite serious.

In the early period of the war, the U.S. aggressors invaded and occupied quite a large area of North Korea by force of their superior equipment and at a high cost. In some places, they were very close to China's frontiers. This appeared to be a threat of war against China. Under this situation, the CPV came to resist U.S. aggression and aid Korea. This immediately changed the war situation. Soon afterwards, the enemy was repulsed and routed and withdrew to the south.

It should be emphatically pointed out that during the period of the Korean war, the USSR and China closely cooperated with each other not only politically but also militarily. The USSR continued to supply the Korean People's Army and the CPV with weapons, ammunition, fuel, food, and medicine. Soviet military advisers, among them some renowned generals, joined the battle. Soviet pilots also took part in the war of resistance against U.S. aggression and to aid Korea.

During the period of the Korean War, the United States had a plan to use nuclear weapons against Korea and China, but the Soviet military might and the fear of retaliation forced it to give it up.

Faced with the Korean people's valiant resistance and all the socialist countries' assistance, the U.S. imperialists were finally compelled to sign the armistice agreement. The firm support of the USSR and other socialist countries also prevented the imperialists from launching direct aggression against China.

The Chinese people say: China will never forget historical lessons. One lesson of the Korean War is that unified action of the socialist countries and their mutual support can stop the imperialists and frustrate their threats and plots.

In the scores of years after the Korean War and during the Vietnamese people's war of resistance against U.S. aggression, the socialist internationalist assistance again demonstrated its vitality. True implementation of these principles have helped the Cuban people resist the U.S. blockade. There are many such examples.

Today a limited number of Soviet troops are carrying out the same mission in Afghanistan as the CPV did in Korea. It is another example of proletarian internationalist assistance.

/12712

CSO: 4005/222

SUB-SAHARAN AFRICA

BOOK ON QUESTIONS OF REVOLUTION IN AFRICA REVIEWED

Moscow OBSHCHESTVENNYE NAUKI V SSSR, SERIYA 1: PROBLEMY NAUCHNOGO KOMMUNIZMA (REFEKTIVNYY ZHURNAL) in Russian No 5, Sep-Oct 85 pp 22-29

[Review by T. A. Petisova of book "Afrika: Strany sotsialisticheskoy orientatsii v revolyutsionnom protsesse" /Africa: Countries with a Socialist Orientation in the Revolutionary Process/ by N. I. Gavrilov, A. A. Gromyko, L. P. Kalinina, et al.; Editor-in-chief, A. A. Gromyko, USSR Academy of Sciences, Africa Institute, Moscow, Nauka, 1984, 272 pages--Bibliography: pp 262-266]

[Text] This monograph studies the problems of the contemporary revolutionary process, as connected with the choice of a socialist orientation by a number of Africa's liberated countries.

At the present time we can isolate out two basic directions in the development of states with a socialist orientation. The first includes countries where changes have taken place having a national-democratic content and which do not go beyond a pre-socialist framework. The second direction includes states in which the changes have taken on a popular-democratic nature.

At the national-democratic stage of development leadership is concentrated in the hands of the revolutionary democrats, relying on a broad coalition of classes and social strata: ranging from workers, peasants, and petite bourgeoisie to certain patriotically minded groups of the national bourgeoisie; their ideological positions are based upon concepts of a revolutionary-democratic nature; the social and economic changes are often carried out at a slow rate and not pushed through to conclusion. Most of the countries which have chosen the path of socialist orientation are now at this stage.

In those countries which have entered upon the stage of popular-democratic revolution power is concentrated in the hands of the bearers of the ideology of the working class, the peasantry, and the progressive middle strata. In such countries vanguard parties of the working people have been created, parties which are drawing closer to the Communist Parties in the fields of ideology, organizational structure, and practical activity.

With the deepening of the revolutionary process in the African countries having a socialist orientation, there is a change in the nature of the state power. Despite certain differences in the formation of state power, the revolutionary-democratic power in all those African states which have chosen a socialist orientation emerged initially as a revolutionary, national-democratic

power. It constituted the first stage in developing a democratic dictatorship of the revolutionary people, in developing a "revolutionary-democratic state power" (p 26).

Because of the weakness and small numbers of the working class, as well as the absence in many African countries of Communist, Marxist-Leninist Parties, the power which asserted itself after the victory of the national-democratic revolution could not immediately become a revolutionary-democratic dictatorship of the proletariat and peasantry. It was founded on the coincidence of the top-priority, general-democratic interests of the broad popular strata. But, in the final analysis, the interests of the various different classes which participate in a revolution can be in opposition, and in the process of the revolution these divergences grow more and more. This, write the authors, constitutes the basis of the exceptional dynamism of the revolutionary power, the constant regrouping of the class forces in those African countries with a socialist orientation. During the process of deepening the revolution the revolutionary-democratic power in these states makes the transition from a national-democratic power to a revolutionary-democratic dictatorship of the proletariat and peasantry, although such a transition still requires a lengthy period of time.

The specifics of the state's activity in the African countries with a socialist orientation consists of the fact that new, anti-exploitative social relations cannot emerge in the nucleus of the old system, and, therefore, creating and developing anti-feudal and, to a certain extent, anti-capitalist relations is the principal task of the state. For this purpose the states having a socialist orientation carry out various progressive measures characterizing the domestic and foreign functions of the state. For example, suppressing the resistance of reactionary groups; activity with regard to creating the material and technical prerequisites for the transition to building socialism; activity directed at increasing the political consciousness of the broad masses, as well as strengthening the political and economic independence of the young states; defense against the infringements of imperialism; the struggle for peace and international security.

Further development of the revolution in countries with a socialist orientation poses the question of the need to break up the old state apparatus and to create a new one. Practical experience of forming a state apparatus in the African states with a socialist orientation has demonstrated three basic forms of rule, each of which possesses a specific structure and procedure for the inter-relations among state organs.

In the first of these forms the system of state organs and their inter-relations are constructed basically according to that scheme which was first adopted in the Soviet state (Benin, Sao Tome and Principe, the Republic of Cape Verde), i.e., the supremacy in accordance with the constitution belongs to the highest representative organ.

The second form of rule is a centralized-dualistic republic (Algeria, Guinea, Madagascar, Tanzania, and others), where the head of state is a president the highest representative organ is an elected parliament. The president is elected independently of the highest representative organ; he possesses the

principal powers with regard to determining the country's policy. Traits of decentralization are combined with dualism: the government bears responsibility not only to the president but also to the parliament. This form of rule combines traits of the departing old one with those of the growing new one.

In certain countries the constitution strengthens the broad powers of the congress of the ruling revolutionary-democratic party or its central committee, connected with the formation and activity of the central organs (Congo).

An even greater degree of centralism characterizes the monistic republic--a provisional form of rule which emerges immediately after a revolutionary coup and which exists until the adoption of a constitution. The monistic form has certain variants, but the principal powers of the head of state, legislative institution, and highest organ of state rule are always closely united or joined in the hands of a single extraordinary organ--the revolutionary council.

Analysis of the historical development of the above-indicated forms of organizing the state apparatus bears witness to the tendency to make the transition from a monistic republic to forms where there is an increasingly broad manifestation of the democratic principles of the state's organization and activity.

One of the main gains of the revolutionary movement during the 1970's and 1980's is the formation of vanguard parties of the working people, which in a number of countries with a socialist orientation have become the ruling parties. This phenomenon marks a closer connection between the national-liberation movement and scientific socialism. Three basic factors characterize the nature, structure, and activity of the vanguard parties. In the first place, they have all chosen scientific socialism as their ideology; in the second place, with regard to their social composition and nature they are worker-peasant parties, marching in the vanguard of the struggle for the national and social liberation of the working people; in the third place, these parties accept the conditions of membership, organizational principles of building and activity which are inherent to Marxist-Leninist parties.

Vanguard parties of the working people have been founded in the Peoples Republic of the Congo--the Congolese Workers Party (PCT), in Mozambique--the Mozambique Liberation Front (FRELIMO), in Angola--the Popular Movement for the Liberation of Angola-Labor Party (MPLA-Labor Party), and in Benin--the People's Revolutionary Party of Benin (PRPB).

The formation of such parties confirms the hypothesis of the possibility, under certain historical conditions, of gradually transforming individual revolutionary-democratic parties into Marxist-Leninist ones. Factors conditioning this process are, above all, radicalization of the anti-colonial movement itself, intensification of the anti-imperialist attitudes among the masses, and popularity of the ideas of socialism.

Formation of vanguard parties proceeds at the stage wherein the top-priority task of the national-liberation movement--the conquest of political independence and state sovereignty--has already been resolved, and the further deepening of the revolution is linked to re-structuring public and state life on progressive principles.

All the vanguard parties of the working people set forth as their ultimate goal the building of a socialist society, one which knows no exploitation of man by man. Practically all of them recognize that the path to socialism lies through the intermediate stages of development, during the course of which the prerequisites are created for building a socialist society. All regard the revolutionary changes in their own countries as a component part of the world revolutionary movement. However, with respect to the present-day stage of development, the opinion of the vanguard parties is not identical, which is connected with the level of maturity of the revolutionary movement itself, with the specific conditions of individual countries, and with the subjective views of individual revolutionaries. For example, in the PCT's 1972 program the stage which began with the accession to power of the revolutionary forces and the creation of the party was characterized as the stage of national, democratic, and popular revolution. In the PRPB's 1976 program the present-day stage is regarded as a period of revolutionary movement for national liberation. The MPLA-Labor Party program speaks about the fact that Angola is at the stage of a popular-democratic revolution, during the course of which the prerequisites will be created for making the transition to building socialism.

Differing interpretations of revolutionary development undergone by the countries concerned have an effect on the definition of the top-priority tasks and on the evaluation of the nature of power. Nor are the contents of the popular-democratic stage of the revolution interpreted identically. In most of the countries being led by vanguard parties of the working people the popular-democratic stage of the revolution is regarded or only intended as an immediate prospect or as taking the first steps. But such an understanding of this stage is not inherent to all. For example, the FRELIMO Party has emphasized that the "the Mozambican people has completed the tasks of the popular-democratic revolution and is building a socialist society" (as cited on p 80). As concerns the motive forces of the revolution, all the program documents of the vanguard parties of the working people include in the revolutionary forces the working class, the peasantry, and the intermediate strata.

Despite their individual nuances, all the parties characterize themselves as vanguard, class-type, political organizations which express the interests of the working people. The fact that they speak from the ideological viewpoint of the working class and are guided by the theory of scientific socialism draws them close to the parties of the proletarian vanguard. But for the time being the guiding role of the working class has not yet asserted itself sufficiently in them; they speak and function as worker-peasant revolutionary parties.

Founding a vanguard party entails changes in the nature of the functions being carried out. Program documents and the existing legislation recognize a guiding and directing role for the vanguard party. In accordance with a concept which has been adopted by all the vanguard parties of the working peoples they are regarded as the highest form of political organization of the working people. Democratic centralism has been proclaimed as the basic organizational principle for constructing their activity.

The countries with a socialist orientation have accumulated a definite amount of experience in solving the economic problems confronting them. The basic

directions of their economic policy are as follows: gradual elimination of the positions held by imperialist monopolies, the native big bourgeoisie and feudal lords, limitations on the activity of foreign capital, ensuring for the people's state the commanding heights in the economy and the transition to a planned development of the production forces, as well as the encouragement of the cooperative movement in the rural areas.

Recently, however, in connection with the exacerbation of the international situation and the expansion of the activities of the TNC's /trans-national corporations/, a threat has arisen to the independent development of the African states. Acknowledging this danger, the African countries--those following a capitalist as well as those following a socialist path of development--are attempting to neutralize it. They have worked out a strategy of development for Africa during the 1980's, a common economic policy which takes into account and defends their national interests (the maximum possible liberation from foreign influence; industrial development based on local raw-material resources, facilitating the emergence and development within sectorial ties; an upswing in agriculture; development and strengthening of regional economic cooperation). The measures which are being carried out in those countries following the socialist path of development as well as those proceeding along the capitalist path have merely a superficial similarity. Amid the commonly shared nature of the economic problems confronting all the developing countries of Africa, the states with a socialist orientation are more and more markedly showing a class-type approach in their economic policy. Their policy with regard to foreign capital has a distinctly anti-imperialist content, whereas those countries which are proceeding along the capitalist path can encounter an interweaving of interests, those of the native bourgeoisie and those of the foreign monopolies. The development of democratic principles directly influences the course of the revolutionary process.

The democratization of economic life has become an extremely important achievement of the socialistically oriented countries; the working people are, to an ever-increasing degree, gaining access to running the economy. A new attitude toward work is taking shape. By utilizing their democratic rights, the citizens are achieving the possibility of exerting an influence on matters of state. In certain states, however, many elements of political and economic democracy still exist in an incipient form, something which is linked to subjective and objective factors of the African reality.

One of the basic directions of spiritual decolonization is development of the national culture of the peoples of Africa. There are, however, substantial differences between the cultural policies of those countries proceeding along the capitalist path and the countries with a socialist orientation. In the former group of countries the emphasis is placed on speeding up cultural development within the framework of bourgeois democracy. The countries with a socialist orientation have proclaimed the formation of a new man, the builder of a new society. In the countries proceeding along the capitalist path of development reforms in the sphere of education and culture, as a rule, are not being implemented or are implemented only partially, whereas in the countries with a socialist orientation this is a part of the over-all progressive policy of the state.

The experience of the emergence of the African states with a socialist orientation testifies that the successes, breadth, and depth of the changes in these countries are determined not only by internal objective and subjective factors, in particular, by the level of their social and political development, but also by the support of world socialism. Firming up the alliance between those countries with a socialist orientation and those states with genuine socialism facilitates their opposition to neo-colonialism and imperialism; it creates the prerequisites for success in the struggle for freedom and the strengthening of independence, as well as for social progress.

COPYRIGHT: INTON AN SSSR

2384

CSO: 1807/067

SUB-SAHARAN AFRICA

REVIEW OF BOOK ON AFRICA'S ROLE IN INTERNATIONAL ECONOMICS

Moscow OBSHCHESTVENNYE NAUKI V SSSR, SERIYA 1: PROBLEMY NAUCHNOGO KOMMUNIZMA (REFERATIVNYY ZHURNAL) in Russian No 5, Sep-Oct 85 pp 29-34

/Review by N. A. Vasetskiy of book "Afrika v borbe za perestroyku mezhdunarodnykh ekonomicheskikh otnosheniy" /Africa in the Struggle to Restructure International Economic Relations/ by An. A. Gromyko, L. V. Goncharov, G. I. Rubinshteyn, et al.; Editorial Collegium, An. A. Gromyko (Editor-in-chief) et al.; USSR Academy of Sciences, Africa Institute, Moscow, Nauka, 1985, 284 pages--Summary in English--Bibliography: pp 267-276/

/Text/ In our days many liberated states are proclaiming with ever-increasing determination their rights to freely dispose of their own natural resources; they are demanding the introduction of effective international controls over the activities of the trans-national corporations, and the elimination of discrimination in international trade. They pose the question of an effective restructuring of the international currency system, and they are achieving the elimination of "technological" colonialism.

Serving as a reliable bulwark in this matter are the countries of the socialist community. The justifiable demands of the liberated countries have likewise encountered support among many other progressive forces.

A new international economic order is being advocated more and more actively by those African states which, despite a number of measures with regard to weakening their economic dependence on imperialism, have remained, as before, the most exploited part of the world capitalist economy. Therefore, the center of gravity of the anti-imperialist movement in these countries is shifting into the sphere of economic and foreign-economic ties.

In analyzing the economic position of the African countries at the present-day stage, the authors note that a negative influence on their economy is being exerted by the great differences in the levels of their development, national traditions, and socio-economic structures. Deepening of the processes of economic, social, and political differentiation in the developing countries of this region are facilitated by the cyclical and structural crises in the capitalist economy--crises which retard their development and even cast it back in comparison with the developed capitalist countries. Thus, if in the years 1960-1981 the share of all the developing countries in world production increased from 16 to 19.6 percent, Africa's share rose merely from 2.4 to 3 percent (p 13).

The industrialization of the 1970's did not become a moving force for structural changes in the economy, changes which could have facilitated the achievement of the self-supporting development of the African countries. In 1980 this continent accounted for only 0.9 percent of the world production output of the manufacturing industry, as compared with 2.7 percent for the proportion produced by Southeast Asia and 6 percent for Latin America (p 15). The food problem has worsened considerably for the African states and, consequently, also the dependence on the import of food products. At the same time those African countries which are, to a large extent, dependent on the TNC's [transnational corporations] are striving to utilize foreign capital in the interests of developing their own economies. Already by the 1970's, however, it had become clear that their "partnership" with foreign capital was yielding an effect contrary to that planned. It has led neither to a growth of economic independence nor to a rise in the population's standard of living, inasmuch as the TNC's have not attempted to establish production ties with the national industry by means of introducing a complete production-technological cycle. The enterprises founded on Africa's territory are made parts of their own complexes. All the equipment, spare parts, individual assemblies, etc. are supplied for such enterprises from the mother country.

In advocating the NIEO [New International Economic Order], the African countries, on the whole, stand on a progressive, anti-imperialist platform, although, in this connection, each of the countries can pursue their own appropriate interests.

The African countries have worked out a regional strategy of development, based on the principle of "self-reliance," as well as an appropriate plan of actions. These were set forth in the documents of the 14th and 15th sessions of the ECA (UN Economic Commission for Africa) and in the "Monrovia Declaration of the obligations of the heads of states and governments of the African countries belonging to the OAU [Organization of African Unity] with regard to the basic directions and measures of national and collective self-reliance and socio-economic development in order to establish a new international economic order" (p 18).

The principal goals of Africa's regional strategy of development within the framework of the Third Decade of Development have been proclaimed by the UN as follows: achievement of a self-supported economic growth on national and multi-national levels, based on internal impulses of development; collective--sub-regional and regional--reliance on one's own forces; ensuring the more active participation of labor resources in the developmental process; creation of conditions for the just distribution of the results of socio-economic development; acceleration of the process of industrialization, taking into account the social and economic characteristics of each country.

Among the specific measures were included in the Plan of Actions, approved by the Second Extraordinary Assembly of OAU Heads of States and Governments (Lagos, April 1980) one can single out those which are aimed at a more rational utilization of domestic and foreign factors of development, increasing the effectiveness of planning, providing the population with the necessary means of life, above all, with food.

The regional strategy also contains a number of new factors from the viewpoint of ways and methods to solve economic problems within the framework of the struggle for a NIEO: the principle of "collective reliance on one's own forces"; the necessity of certain changes of a social nature and the activation of joint efforts in the struggle against economic expansion by neo-colonialism; regulation of activities on the part of the TNC's, and the establishment for them of definite limitations and rules to govern their activities (p 20).

However, the African countries, like countries in other regions as well, often link with NIEO demands to secure for themselves significant advantages, compensating for an obvious economic inequality. Thus, they are striving to achieve not "market conditions which are free and equal for all, but rather the introduction into the world capitalist economy of certain specific elements of stability and non-discriminatory regulation, guaranteeing for the developing countries their accelerated economic and social development. Such a restructuring of economic relations which took place as far back as the colonial period between states which now use neo-colonialism to exploit the developing countries ought to become an important step on the path of progress. It can become the beginning of the struggle to establish a new economic order in the world.

The concept of a "world economic order," the book notes, encompasses not only relations between states, i.e., for the most part, the sphere of circulation, but also the relations of property ownership within each country, the aggregate of the domestic economic orders, which are determined by the production relations and which take shape within the framework of the national economies. In other words, restructuring the world economic order implies the elimination of inequality and exploitation on an international and on a national scale.

Those African countries which are proceeding along a non-capitalist path of development have already made steps in this direction. Among the initial results is a halting of the process of the concentration of ownership of the means of production in private hands. The formation of public and state property ownership, providing the conditions for its dominant position, and the gradual elimination of man's exploitation of man have become most important tasks for these countries (p 33). In all the African states with a socialist orientation there has been an increase in the economic role played by the state, while the attack on the positions of foreign capital has taken on a clear-cut, anti-imperialist content. The nationalization of foreign companies in the most important sectors of the economy has acquired broad scope. Substantial limitations have been placed on the scope of activity of the still-remaining national private-capitalist sector.

And so the establishment of a new world economic order implies the elimination not only of the relations of inequality and exploitation in the field of international economic relations but also of the social inequality within each country.

African countries regard the movement for a new international economic order as an integral element in embodying the principle of peaceful co-existence among all peoples of the globe. The progressive, anti-imperialist thrust of the movement for NIEO predetermines a communality of interests between the liberated countries and the socialist community. The successes of genuine socialism exert a growing influence on the entire spectrum of ideological,

political, and economic relations in the present-day world. The developmental experience of the CEMA states has demonstrated to the liberated states the advantages of the socialist system and the new, fraternal type of relations. The countries of the community support the legitimate aspirations of the peoples and countries of Africa, Asia, and Latin America to establish equitable relations in the world.

With the support of the socialist community the following organizations were founded: the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO). The USSR and the other CEMA countries actively facilitated the adoption at the 6th Special Session of the UN and at the 29th Session of the UN General Assembly of documents which proclaimed the sovereign and inalienable right of every state "to choose its own economic system, as well as its own political, social, and cultural system, in accordance with the will of its own people, without interference or the use of force or threats from outside in any form whatsoever" (p 245).

The socialist community has come out against the use by the United States and other capitalist states of political acts--embargoes and economic blockades--which are detrimental to the common cause of restoring health to international relations, hindering the development of mutual cooperation among all the countries of the world and putting obstacles in the way of detente. They actively oppose "technological" neo-colonialism.

COPYRIGHT: UNION AN SSSR

2384

CSO: 1807/067

END

END OF

FICHE

DATE FILMED

16 January 1986